

## FIDUS INVESTMENT CORPORATION

### AUDIT AND COMPENSATION COMMITTEE CHARTER

#### **I. Purpose**

The Audit and Compensation Committee (“**Audit Committee**”) is appointed by the Board of Directors of Fidus Investment Corporation (the “**Corporation**”) to assist the Board of Directors in fulfilling its oversight responsibilities for the Corporation’s accounting and reporting processes and the audits of its financial statements by monitoring (i) the quality and integrity of the financial statements of the Corporation and the independent audit thereof, (ii) the independent auditor’s performance, qualifications and independence, (iii) the performance of the Corporation’s internal audit function and its system of internal controls regarding finance, accounting and regulatory compliance, and (iv) the compliance by the Corporation with legal and regulatory requirements.

The Corporation has no employees and its officers do not receive any direct compensation from the Corporation. Instead, the Corporation is party to an Investment Advisory and Management Agreement (“**Advisory Agreement**”) with its investment advisor, Fidus Investment Advisors, LLC (“**Advisor**”), pursuant to which it pays the Advisor fees. In addition, the Corporation is party to an Administration Agreement (“**Administration Agreement**”) with our Advisor, pursuant to which it reimburses the Advisor for certain costs and expenses. Each year, the Audit Committee and the Board of Directors must approve the renewal of the Advisory Agreement and the Administration Agreement.

Because the Audit Committee is charged with approving the Corporation’s related-party transactions, the Board of Directors has determined not to create a separate compensation committee and instead has charged the Audit Committee with overseeing amounts payable to the Advisor pursuant to the Advisory Agreement and the Administration Agreement, and making a recommendation to the Board of Directors with respect to the board’s approval (including the approval of a majority of the directors who are not “interested persons” of the Corporation within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “**1940 Act**”)) of the renewal of the Advisory Agreement and the Administration Agreement.

The Audit Committee shall serve as the Corporation’s Qualified Legal Compliance Committee (“**QLCC**”), as contemplated by Section 307 of the Sarbanes-Oxley Act of 2002 and Rules 205.1 through 205.7 thereunder (the “**Attorney Conduct Rules**”). In this capacity, the Audit Committee shall be designated to receive reports from legal counsel of evidence of a material violation of any applicable federal or state securities law or breach of fiduciary duty under federal or state law or similar violation, by the Corporation, any of its subsidiaries, officers, directors or agents (a “**QLCC Report**”).

## II. Committee Membership

The Audit Committee of the Corporation shall at all times have at least three members and be composed solely of directors of the Corporation who: (i) are not “interested persons” (as defined in the 1940 Act) of the Corporation; (ii) are “independent directors” as defined in Rule 5605(a)(2) of the NASDAQ listing rules; and (iii) meet the independence requirements of Section 10A of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the rules and regulations adopted by the Securities and Exchange Commission (the “**SEC**”) thereunder (the “**Independent Directors**”). In addition, the Independent Directors may not accept, directly or indirectly, any consulting, advisory, or other compensation from the Corporation or any subsidiary thereof (other than directors’ fees received in his or her capacity as a member of the Audit Committee, Board of Directors or another committee of the Board of Directors of the Corporation or its subsidiaries) and cannot have participated in the preparation of the financial statements of the Corporation in the previous three years.

The Board of Directors shall designate the members of the Audit Committee and the Chairman of the Audit Committee annually and shall have the power at any time to change the membership of the Audit Committee, to fill all vacancies and to designate alternate members to replace any absent or disqualified members, so long as the Audit Committee shall at all times have at least three members and be composed solely of Independent Directors. If a member of the Audit Committee ceases to be independent for reasons outside the reasonable control of such member, the member may remain on the Audit Committee until the earlier of the next annual stockholders meeting of the Corporation or one year from the occurrence of the event that caused the failure of such member to be independent, provided that the Corporation provides notice to NASDAQ immediately upon learning of the event or circumstance that caused the noncompliance pursuant to Rule 5605(c)(4) of the NASDAQ listing rules and subject to the exception contained in Rule 5605(c)(5) of the NASDAQ listing rules.

For so long as the Corporation’s common stock is listed on the NASDAQ Global Market:

(i) the Audit Committee shall at all times have at least one member that has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities; and (ii) all members of the Audit Committee shall be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement.

The Audit Committee shall at all times include at least one member with the requisite qualifications to be designated by the Board of Directors as an “audit committee financial

expert,” as defined in Item 407(d)(5)(ii) and (iii) of Regulation S-K adopted by the SEC.<sup>1</sup> The Audit Committee shall consider at least annually whether one or more of its members qualifies as an audit committee financial expert and shall report the results of its deliberations to the Board of Directors for further action as appropriate.

If a vacancy on the Audit Committee exists due to the retirement or resignation of a member of the Audit Committee who has been designated as an “audit committee financial expert,” the Board of Directors will endeavor to fill such vacancy with another audit committee financial expert, as soon as reasonably practicable thereafter. The designation of a member of the Audit Committee as an audit committee financial expert does not increase the duties, obligations or liability of the designee as compared to the duties, obligations and liability otherwise imposed on the designee as a member of the Audit Committee and of the Board of Directors.

### **III. Authority**

The function of the Audit Committee is oversight. Management<sup>2</sup> is primarily responsible for maintaining appropriate systems for accounting, financial reporting principles and policies and internal controls that provide for compliance with generally accepted accounting principles (GAAP) and other applicable laws and regulations. The independent accountants are primarily responsible for planning and carrying out a proper audit of the Corporation’s annual financial statements in accordance with GAAP. The independent accountants are accountable to the Board of Directors and the Audit Committee, as representatives of the Corporation’s stockholders, and the Board of Directors and the Audit Committee have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the Corporation’s independent accountants (subject, if applicable, to stockholder ratification).

It is not the duty or the responsibility of the Audit Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures, to determine that the financial statements are complete and accurate and are in accordance with GAAP, or to set auditor independence standards. Each member of the Audit Committee shall be entitled to rely on: (i) the integrity of those persons within and outside the Corporation and management from which it receives information; (ii) the accuracy of the financial and other information provided to the Audit Committee absent actual knowledge to the contrary (which shall be promptly reported to the Board of Directors); and (iii) statements made by the officers and employees of the Corporation, the Advisor or other third parties as to any information technology, internal audit and other non-audit services provided by the independent accountants to the Corporation. In carrying out its

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<sup>1</sup> Such person shall also be presumed to qualify as a “financially sophisticated” audit committee member under NASDAQ rules.

<sup>2</sup> For purposes of this Charter, the term “management” means the appropriate officers of the Corporation, the Advisor and other key service providers (other than the independent accountants). Also, for purposes of this Charter, the phrase “internal accounting staff” means the appropriate officers and employees of the Corporation, the Advisor and other key service providers (other than the Corporation’s independent accountants).

responsibilities, the Audit Committee's policies and procedures shall be adapted, as appropriate, to best react to a changing environment.

In discharging its responsibilities, the Audit Committee shall have authority to retain independent counsel or other consultants (including, without limitation, compliance consultants) as it determines necessary or appropriate to carry out its duties. The Audit Committee shall have sole authority to approve the fees and other retention terms, and to oversee the work, of such independent counsel and consultants. To the extent the Audit Committee engages any independent counsel, compensation consultant or other adviser to assist the Audit Committee with carrying out its duties and responsibilities related to amounts to be paid by the Corporation to the Advisor pursuant to the Advisory Agreement and the Administration Agreement, the Audit Committee will consider all factors relevant to such advisor's independence from the Corporation, including the factors required as such time by NASDAQ and applicable laws and regulations. The Audit Committee shall not be required to implement or act consistently with the advice or recommendations of such advisers and the authority granted in this Section III shall not affect the ability or obligation of the Audit Committee to exercise its own judgment in fulfillment of its duties and responsibilities under this Charter.

The Audit Committee shall have the authority to create subcommittees with such powers as the Audit Committee shall from time to time confer. The Audit Committee shall be given the resources, as determined by the Audit Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation and ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

#### **IV. Responsibilities**

The following are the general responsibilities of the Audit Committee and are set forth only for its guidance. The Audit Committee may assume such other responsibilities as the Board of Directors and/or the Audit Committee deems necessary or appropriate in carrying out the Audit Committee's purpose. The Audit Committee shall consult, on an ongoing basis, with management, the independent accountants and legal counsel as to legal or regulatory developments affecting its responsibilities, as well as relevant tax, accounting and industry developments.

Nothing in this Charter shall be interpreted as diminishing or derogating from the responsibilities of the Corporation's Board of Directors.

Pursuant to authority granted to it by the Board of Directors, the responsibilities of the Audit Committee are:

**A. Retention of Independent Accountants and Approval of Services**

1. To appoint and retain each year a firm or firms of independent accountants to audit the accounts and records of the Corporation, to approve the terms of compensation of such independent accountants and to terminate such independent accountants as it deems appropriate.
2. To pre-approve any independent accountants' engagement to render audit and/or permissible non-audit services (including the fees charged and proposed to be charged by the independent accountants), subject to the *de minimis* exceptions under Section 10A(i)(1)(B) of the Exchange Act, and as otherwise required by law.<sup>3</sup>
3. The Audit Committee may delegate its pre-approval responsibilities to one or more of its members. The member(s) to whom such responsibility is delegated must report any pre-approval decisions to the Audit Committee at its next scheduled meeting for informational purposes only.

**B. Oversight of the Corporation's Relationship with the Independent Accountants**

1. To consider a report from the independent accountants at least annually regarding:
  - (a) the independent accountants' internal quality-control procedures;
  - (b) any deficiencies raised by the most recent internal quality-control review, or peer review, of the 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;
  - (c) any steps taken to deal with any such issues; and
  - (d) all relationships between the independent accountants and the Corporation.
2. To evaluate the qualifications, performance and independence of the independent accountants, by:

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<sup>3</sup> In addition to the requirement to pre-approve audit and permissible non-audit services (subject to the *de minimis* exceptions under Section 10A(i)(1)(B)) to be rendered to the Corporation by its independent accountants, the Audit Committee is required to pre-approve non-audit services (subject to the *de minimis* exceptions under Section 10A(i)(1)(B)) rendered by the Corporation's independent accountants to the Advisor, and to any entity controlling, controlled by or under common control with the Advisor that provides ongoing services to the Corporation if the engagement relates directly to the operations and financial reporting of the Corporation.

- (a) evaluating the performance of the lead partner, and the quality and depth of the professional staff assigned to the Corporation;
  - (b) considering whether the accountant's quality controls are adequate;
  - (c) considering whether the provision of permitted non-audit services is compatible with maintaining the accountant's independence; and
  - (d) taking into account the opinions of management and the internal accounting staff (or other personnel responsible for the internal audit function). The Audit Committee shall present its conclusions with respect to the independent accountants to the Board of Directors.
3. To ensure the regular rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law and consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent accounting firm on a regular basis.
4. To recommend to the Board of Directors policies for the Corporation's hiring of employees or former employees of the independent accountants who participated in any capacity in the audit of the Corporation.
5. To discuss with the independent accountants (A) any audit problems or difficulties encountered during their audit, including any restrictions on their scope of activities or access to requested information; (B) any significant disagreements with management; (C) any communications between the audit team and the independent registered public accounting firm's national office respecting auditing or accounting issues presented by the engagement; and (D) any accounting or disclosure issues not resolved to their satisfaction.
6. To consider the effect on the Corporation of:
- (a) any changes in accounting principles or practices proposed by management or the independent accountants;
  - (b) any changes in service providers, such as the Corporation's accountants or administrators, that could impact the Corporation's internal controls; and
  - (c) any changes in schedules (such as fiscal or tax year-end changes) or structures or transactions that require special accounting activities or resources.

7. To review a presentation by the appropriate officer of the Corporation or the independent accountants with respect to the Corporation's qualification under Subchapter M of the Internal Revenue Code of 1986, as amended, and amounts distributed and reported to stockholders for federal tax purposes.
8. To annually review a formal written statement from the independent accountants delineating all relationships between the independent accountants and the Corporation, consistent with applicable standards of the Public Company Accounting Oversight Board (PCAOB), and discussing with the independent accountants their methods and procedures for insuring independence.

**C. Financial Statements and Disclosure Matters**

1. To review and discuss with management and the independent accountants the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board of Directors whether the audited financial statements should be included in the Corporation's Annual Report on Form 10-K.
2. To review and discuss with management and the independent accountants the Corporation's earnings releases and quarterly financial statements prior to the filing of its Quarterly Reports on Form 10-Q, including the results of the independent accountants' reviews of the quarterly financial statements.
3. To review any disclosures made by the Corporation's principal executive officer" and "principal financial officer" (as such terms are defined by the SEC), as part of the process of preparing their certifications to be included in the Corporation's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.
4. To meet with the Corporation's independent accountants periodically during each fiscal year, including private meetings, and review written materials prepared by the independent accountants, and, as appropriate:
  - (a) to review the arrangements for and the scope of the annual audit and any special audits or other special permissible services;
  - (b) to review the Corporation's financial statements and to discuss any matters of concern arising in connection with audits of such financial statements, including any adjustments to such statements recommended by the independent accountants or any other results of the audits;

- (c) to consider and review, as appropriate and in consultation with the independent accountants, the appropriateness and adequacy of the Corporation's financial and accounting policies, procedures and internal accounting controls and, as appropriate, the internal controls of key service providers, and to review management's responses to the independent accountants' comments relating to those policies, procedures and controls, and to any special steps adopted in light of material control deficiencies;
  - (d) to review with the independent accountants their opinions as to the fairness of the Corporation's financial statements;
  - (e) to review and discuss quarterly reports from the independent accountants relating to:
    - (i) all critical accounting policies and practices to be used;
    - (ii) all alternative treatment of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent accountants; and
    - (iii) other material written communications between the independent accountant and management, such as any management letter or schedule of unadjusted differences; and
  - (f) to review with the independent accountants the matters required to be discussed by Statements on Auditing Standards or other professional standards relating to the conduct of an audit.
5. To prepare the report required by the SEC to be included in the Corporation's annual proxy statement.

**D. Compliance Oversight**

1. To obtain from the independent accountants assurance that, in the course of an audit, the Corporation's audit team has not detected or otherwise become aware of any information indicating that an illegal act has or may have occurred.
2. To investigate, when the Audit Committee deems it necessary, improprieties or suspected improprieties in Corporation operations.
3. To establish and maintain procedures for the following, including considering exceptions to and responding to alleged violations of such procedures as the Audit Committee shall consider appropriate:



- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- 4. To discuss with management and the independent accountants any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
- 5. To discuss with the Corporation's legal counsel matters that may have a material impact on the financial statements or the Corporation's compliance policies.
- 6. To review with both management and the Corporation's independent accountants all related party transactions or dealings with parties related to the Corporation.
- 7. To review and discuss with management and the Corporation's independent accountants all off-balance sheet transactions and obligations.

**E. Oversight of the Corporation's Internal Controls**

- 1. To recommend to the Board of Directors the appointment of the Corporation's principal accounting officer and principal financial officer.
- 2. To consider whether to grant any approvals or waivers sought under the Corporation's Code of Conduct (the "Code") adopted pursuant to the Sarbanes- Oxley Act and the NASDAQ listing rules.
- 3. To review any alleged violations under the Corporation's Code and to make any recommendations to the Board of Directors as it deems appropriate.
- 4. To periodically meet with the appropriate officers of the Corporation, internal accounting staff and individuals with internal audit responsibilities for consultation on audit, accounting and related financial matters.
- 5. To review proposed disclosures in the Corporation's periodic reports to the SEC concerning any significant deficiencies in the design or operation of internal controls or material weaknesses in such controls, and any fraud involving management or other employees who have a significant role in the Corporation's internal controls, deemed necessary by management

during such officers' certification process for the Corporation's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

6. To discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.

**F. QLCC**

1. In its capacity as QLCC, the Audit Committee will inform the Corporation's Chief Compliance Officer ("CCO") and Chief Executive Officer ("CEO") (or equivalents) promptly if the Audit Committee receives a QLCC Report from any legal counsel, except that the Audit Committee need not inform the CCO and CEO of a QLCC Report if the reporting attorney has notified the Audit Committee that it is his/her opinion that it would be futile to deliver the QLCC Report to the CCO and CEO.
2. Upon receipt of a QLCC Report, to determine if an investigation is necessary or appropriate, and, if so, to:
  - (a) Notify the Audit Committee;
  - (b) Initiate an investigation, which may be conducted either by the CCO or by outside legal counsel; and
  - (c) Retain additional expert personnel, as the Audit Committee deems necessary.
  - (d) At the conclusion of any investigation to:
    - (i) Recommend that the Corporation take any appropriate remedial action;
    - (ii) Inform the CCO and CEO and the Board of Directors of the results of the investigation and the recommended remedial actions;
    - (iii) Take all other appropriate action, including notifying the Securities and Exchange Commission if the Corporation fails in any material respect to implement the appropriate remedial action; and
    - (iv) Adopt written procedures for the confidential receipt, retention, and consideration of a Report.

3. The Committee shall report its activities to the full Boards on a regular basis and make such recommendations with respect to the above and other matters as the Committee may deem necessary or appropriate.

**G. Other**

1. Review and assess the adequacy of this Charter annually and submit any proposed modifications to the Board of Directors for approval.
2. To report its activities to the Board of Directors on a regular basis and to make such recommendations with respect to the matters described above and other matters as the Audit Committee may deem necessary or appropriate.
3. With the assistance of an independent valuation firm, aiding the Board of Directors in fair value pricing debt and equity securities that are not publicly traded or for which current market values are not readily available.

**V. Meetings**

Subject to the Bylaws and resolutions of the Board of Directors, the Audit Committee shall meet as often as it determines necessary, but not less frequently than quarterly, and is empowered to hold special meetings as circumstances require. The Chairman of the Audit Committee or any two members of the Audit Committee may fix the time and place of the Audit Committee's meetings unless the Board of Directors shall otherwise provide. Members of the Audit Committee may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating can hear each other at the same time. Subject to the provisions of the 1940 Act, participation in a meeting by these means constitutes presence in person at the meeting. Any action required or permitted to be taken at a meeting of the Audit Committee may also be taken without a meeting if all members of the Audit Committee consent thereto in writing. The Audit Committee shall keep regular minutes of its meetings and records of decisions taken without a meeting and cause them to be recorded in the Corporation's minute book. The Audit Committee may invite any director who is not a member of the Audit Committee, management, legal counsel, compliance consultants, representatives of service providers or other persons to attend meetings and provide information as the Audit Committee, in its sole discretion, considers appropriate.

One third, but not less than two, of the members of the Audit Committee shall be present at any meeting of the Audit Committee in order to constitute a quorum for the transaction of business at such meeting, and the act of a majority present shall be the act of the Audit Committee. In the absence or disqualification of any member of the Audit Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he/she or they constitute a quorum, may unanimously appoint another

member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member, so long as such appointee is an Independent Director.

Approved: June 14, 2011

Amended: July 1, 2014

Amended: November 5, 2014

Amended: June 1, 2017