

AUDIT COMMITTEE CHARTER
MILLENNIUM INVESTMENT & ACQUISITION COMPANY, INC.
(formerly known as MILLENNIUM INDIA ACQUISITION COMPANY, INC.) (“MILC”)

Adopted January 17, 2008

The Board of Directors (the “Board”) of Millennium Investment & Acquisition Company Inc. (“MILC”) hereby adopts the following as the governing principles of the Audit Committee of MILC.

Membership

The Audit Committee shall consist of two or more members appointed by the Board. Audit Committee members serve at the pleasure of the Board. Each member of the Audit Committee must be “disinterested.” For purposes of this charter, a “disinterested” Director means a Director who is not an “interested person” of MILC, as that term is defined under the Investment Company Act of 1940 (the “1940 Act”). Unless a Chairperson is designated by the Board, the Audit Committee may elect from its own members a Chairperson. The Chairperson (if any) presides over each meeting of the Audit Committee.

Principal Responsibilities

The principal responsibilities of the Audit Committee shall include:

- Overseeing MILC’s accounting and auditing processes.
- Serving as MILC’s qualified legal compliance committee, and in such capacity, the Audit Committee is authorized to: receive in confidence, consider and, if appropriate, investigate in its capacity as a qualified legal compliance committee any report by (i) an attorney of a material violation of an applicable United States federal or state securities law, or a similar material violation of any United States or state law by MILC (or any officer, director, or employee or agent of MILC) (a “material violation”), or (ii) a report under MILC’s Code of Ethics for Principal Executive and Principal Financial Officers (the “Code”). At the conclusion of an investigation of a reported violation of the Code, the Audit Committee shall make a report to the Board, which shall include a recommendation of an appropriate action if such violation is determined to have occurred. At the conclusion of any investigation of a material violation, and (ii) to inform the chief executive officer of MILC and the Board of any such investigation and the appropriate remedial measures to be adopted. With respect to a report of a material violation, the Audit Committee is further authorized to take all other appropriate action, including notification to the Securities and Exchange Commission in the event MILC fails in any material respect to implement an appropriate response recommended by the Audit Committee
- Recommending which firm to engage as MILC’s independent auditor as required by Section 32 of the 1940 Act, and whether to terminate this relationship.
- Reviewing the independent auditors’ compensation, the proposed scope and terms of its engagement, and the firm’s independence.
- Approving all audit and non-audit services an independent auditor provides to MILC (and certain MILC service providers) as required by and in accordance with applicable law. The Audit Committee is authorized to develop policies and procedures, in accordance with applicable law, that provide for the

advance pre-approval of some or all audit and non-audit services. The Audit Committee is further authorized to delegate its responsibility to pre-approve audit and non-audit services to one or more members of the Audit Committee, in accordance with applicable law.

- Serving as a channel of communication between an independent auditor and the Directors.
- Reviewing the results of each external audit, including any qualifications in the independent auditors' opinion, any related management letter, management's responses to recommendations made by the independent auditors in connection with the audit, reports submitted to the Audit Committee by the internal auditing department of MILC that are material to a MILC, if any, and management's responses to any such reports.
- Meeting with MILC's accounting provider, if any, to discuss their role in the audit and any report they may wish to make with respect hereto.
- Reviewing MILC's audited financial statements and considering any significant disputes between MILC's management and the independent auditor that arose in connection with the preparation of those financial statements. In addition, the Audit Committee should review any unusual circumstances reflected in MILC's financial statements.
- Considering, in consultation with the independent auditors' report on the adequacy of MILC's internal financial controls.
- Reviewing, in consultation with MILC's independent auditors, major changes regarding auditing and accounting principles and practices to be followed when preparing MILC's financial statements.
- Reviewing the procedures employed by MILC in preparing published financial statements and related management commentaries.

Recommendation of Independent Auditors

In connection with the selection of MILC's independent auditors, the Audit Committee shall consider the auditors': (a) basic approach and techniques; (b) knowledge and experience in the industry and other investment companies serviced by the firm; (c) procedures followed to assure the firm's independence; (d) policy regarding rotation of personnel assigned to the engagement; and (e) other quality control procedures. The Audit Committee shall also consider the nature and quality of other services offered by the firm, the firm's manner of communicating weaknesses noted in MILC's internal control system, the basis for determining their fees, and management's attitude toward the firm.

Internal Controls

The Audit Committee shall periodically review the internal controls of, and other procedures adopted by, MILC, including those procedures (if any) relating to: (i) the valuation of securities (including securities for which market quotations are not readily available, such as interests in hedge funds) and the computation of MILC's net asset value; (ii) the pricing services used by MILC; and (iii) the liquidity of other restricted securities held by MILC.

Meetings

The Committee shall meet at least one time each year and be empowered to hold special meetings, as circumstances require. Any action of the Committee shall be taken by the affirmative vote of a majority of the members. Any action of the Committee with respect to MILC may be taken without a meeting if at least a majority of the members of the Committee consent thereto in writing.