

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name InfraREIT, Inc.		2 Issuer's employer identification number (EIN) 75-2952822	
3 Name of contact for additional information Greg Imhoff	4 Telephone No. of contact 214-855-6700	5 Email address of contact tax@infrareitinc.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1807 Ross Avenue, 4th Floor		7 City, town, or post office, state, and Zip code of contact Dallas, TX 75201	
8 Date of action January 19, 2017		9 Classification and description Cash distributions to holders of common stock	
10 CUSIP number 45685L100	11 Serial number(s)	12 Ticker symbol HIFR	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **January 19, 2017 cash distribution of \$0.25 per unit to holders of common stock (declared December 2, 2016).**
Pursuant to the applicable Treasury Regulations under 6045B, if these projections turn out to be materially incorrect, a corrected Federal Form 8937 will be filed within 45 days of making such determination.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The cash distribution does not affect a shareholder's InfraREIT, Inc. common stock basis because it was made out of InfraREIT Inc.'s earnings and profits.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Not applicable; See box 15 above**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Internal Revenue Code sections 316(a), 857(b)(9), and 6045B [as interpreted by Treas. Reg. section 1.6045B-1(a)(2)(ii)].

Blank lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ **No; see box 15 above.**
The above organizational action (a distribution of 100% from earnings and profits; currently none projected to be classified as a nontaxable return of capital) is reportable in the year 2016 for the tax year ending December 31, 2016.

Blank lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

Blank lines for providing details for question 19.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

VAD
11/11/17

Sign Here

Signature ▶  Date ▶ 1/11/2017

Print your name ▶ **Greg Imhoff** Title ▶ **Vice President**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	