

INFRAREIT, INC.

Code of Business Conduct and Ethics

January 29, 2015

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I. INTRODUCTION

This Code of Business Conduct and Ethics (the “Code”) of InfraREIT, Inc. (the “Company”) covers a wide range of business practices and procedures affecting all directors, officers and employees (which shall include employees and key personnel of the Company’s external manager and tenant(s)) of the Company (collectively, the “Covered Persons”). This Code sets forth the standards under which we will conduct all of our business and engage in all of our business relationships—including with tenants, suppliers, fellow employees, lenders, competitors, government agencies, investors and the communities in which we do business. Each of these relationships must be approached with integrity and honesty. The Code represents both the code of ethics for persons serving as the principal executive officer, principal financial officer and principal accounting officer of the Company under Securities and Exchange Commission (“SEC”) rules and the code of business conduct and ethics for directors, officers and employees under the New York Stock Exchange (“NYSE”) rules. **Every** Covered Person must conduct himself or herself according to this Code and seek to avoid improper behavior and even the appearance of improper behavior. This Code also should be provided to, and applicable portions should be followed by, the Company’s agents and representatives.

This Code gives guidelines concerning how we will conduct our business and applies to any transaction of Company business, whether or not during normal business hours. We also have separate, specific policies and procedures to follow under particular circumstances or in specific areas of our business. This Code and the Company’s policies and procedures cannot

cover every possible issue that may arise; however, the basic principles underlying this Code should answer most questions. These basic principles may be summarized as follows:

- Obey the law;
- Be loyal to the Company;
- Deal fairly with others;
- Treat other employees with respect;
- Be honest and act with integrity; and
- Report behavior in violation of these principles.

It is the Company policy to conduct our business in accordance with the applicable laws of the United States and other jurisdictions in which we do business and with high ethical standards of business practices. In many instances, our Code commits us to follow a higher standard of ethical conduct than what is required by law. Employees and directors will, at a minimum, abide by both applicable laws and the standards of conduct in this Code. The Company Board of Directors is the only party who may waive any part of this Code, always acting within the scope of applicable law. Waivers for executive officers and directors will be publicly disclosed. If you have any questions, concerns, or are unsure about how to interpret this Code, you should ask the General Counsel or such other person designated by the Company as your compliance representative (“Compliance Representative”), or your supervisor, for his or her advice on how to handle the situation.

If you violate the standards in this Code, you will be subject to disciplinary action, up to and including dismissal from employment. *If you are involved in or aware of a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section XIV. Reporting Any Illegal or Unethical Behavior.*

II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

All Covered Persons must respect and comply with the applicable laws, rules and regulations (referred to herein as “legislation”) of the United States and those states, counties, cities and jurisdictions in which the Company conducts its business and to which the Company, director, officer or employee is subject. This Code does not summarize all such laws, rules and regulations, but it is important to be familiar with the legislation that applies to your area of responsibility and to know enough to determine when you should seek advice from your supervisor, your Compliance Representative or other appropriate personnel. All Covered Persons are expected to be sufficiently familiar with any legislation that applies to their circumstances and shall recognize potential liabilities, seeking advice where appropriate. Covered Persons should bring to the attention of appropriate senior management evidence of a potential material violation of legislation applicable to the Company, by the Company or anyone acting on its behalf.

III. CONFLICTS OF INTEREST

In carrying out their duties and responsibilities, Covered Persons should engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Covered Persons should strive to identify and raise potential issues before they lead to problems. Conflicts of interest are prohibited as a matter of Company policy, and exceptions may only be made after review of fully disclosed information and approval of specific or general categories by senior management (in the case of employees) or the Board (in the case of officers or directors) or as provided in the Company's charter and bylaws. In the absence of pre-approval, you must abandon or forfeit the activity or interest that creates the conflict, or seek a waiver under Section XVIII. Waivers of or Changes to the Code of Business Conduct and Ethics.

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the Company, unless an exemption is otherwise provided in the Company's charter or bylaws. Conflicts of interest generally interfere with the person's effective and objective performance of their duties or responsibilities to the Company. Conflicts of interest occur when a Covered Person, or members of their immediate family, receive improper personal benefits because of the Covered Person's position with the Company. Certain situations involve a high likelihood of conflicts, including (i) a Covered Person serving as an officer, partner or employee of a business enterprise other than the Company; or (ii) a Covered Person having personal or family financial interests (including a family member serving as an officer, partner or employee) or other business interest in any enterprise that has business relations with or competes with the Company (other than investments in publicly traded entities). The best policy is to avoid any direct or indirect business connection with the Company's customers, suppliers or competitors, except on the Company's behalf. Making guarantees of obligations of, or loans to, Covered Persons and their family members may create conflicts of interest. Another common conflict of interest occurs when a Covered Person or their immediate family members use Company property or confidential information other than for the benefit of the Company. A family member includes a parent, grandparent, spouse, brother or sister, children or cousin related by birth or through marriage.

Since conflicts of interest are not always clear-cut, if you have questions or concerns, you may consult with your Compliance Representative. If you become aware of a conflict or potential conflict of interest, bring it to the attention of your supervisor or other appropriate personnel and follow the policies in Section XIV. Reporting Any Illegal or Unethical Behavior. Please refer to our Conflicts of Interest Policy for more specific requirements relating to review and approval of significant transactions that may involve conflicts of interest.

IV. INSIDER TRADING

Covered Persons with knowledge of material non-public information about the Company are prohibited from buying, selling or otherwise trading the Company's securities, whether or not they are using or relying on the non-public information. Covered Persons may not share or provide "tips" to others by providing such information about the Company. Please refer to our Insider Trading Compliance Policy for more specific requirements relating to applicable federal

securities laws, including trading in securities of other companies. If you are uncertain about whether you have material non-public information about the Company, you should consult the Company's General Counsel before trading in the Company's securities.

V. DISCRIMINATION OR HARASSMENT

Equal Employment Opportunity

InfraREIT is an Equal Employment Opportunity Employer and committed to providing a workplace that is free from unlawful discrimination.

In order to provide equal employment and advancement opportunities to all individuals, it is the Company's policy that employment decisions will be based on merit, qualifications, performance and abilities, subject to the Company's legitimate business requirements. The Company's policy also forbids any unlawful discrimination or adverse employment action or decision that is based in whole or in part on the job applicant's or employee's sex, race, color, religion, age, pregnancy, gender identity, sexual orientation, national origin, physical or mental disability, veteran status or any other status as specified under state or federal law. The Company is committed to taking affirmative action to ensure that it complies with this policy.

Unlawful discrimination on the basis of disability is also forbidden. InfraREIT complies with all relevant and applicable provisions of the Americans with Disabilities Act and does not discriminate against qualified individuals with disabilities. The Company will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship or a direct threat to the safety of any employee. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training.

Any employee who has a concern about discrimination in the workplace must immediately report the concern to InfraREIT's General Counsel. If you do not feel comfortable discussing your concern with the General Counsel, or if you believe that your complaint was not appropriately resolved, then you must immediately report your concern to the Chief Executive Officer.

Employees can report discrimination concerns without fear of reprisal. It is InfraREIT's policy that no employee shall be subjected to any retaliation because he or she made a report of discrimination, opposed discrimination or participated in the investigation of a discrimination complaint. If any employee believes that he or she is experiencing retaliation, then the employee must immediately report this concern directly to the Chief Executive Officer or General Counsel. The purpose of this requirement is to provide the Company with the opportunity to investigate the situation and, if retaliation has occurred, allow the Company to take prompt corrective action.

Any employee found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Harassment-Free Workplace

We do not tolerate any form of harassment, whether based on sex, race, color, religion, age, pregnancy, gender identity, sexual orientation, national origin, physical or mental disability, veteran status or any other protected status as specified under local, state or federal law. Harassment also includes “hazing” or other inappropriate activities directed toward co-workers or retaliation against an employee who has made a charge of discrimination or testified, assisted or participated in an investigation or an inquiry into alleged misconduct.

Any employee who feels that he or she is being harassed at work by anyone – including, but not limited to, a manager, supervisor, co-worker, contractor, customer, vendor, supplier or visitor – and any employee who feels that harassment is occurring within the Company must immediately report his or her concern to the General Counsel or the Chief Executive Officer.

It is InfraREIT’s policy that all employees must fully cooperate with and assist the Company in any harassment investigation that it conducts. Refusal to cooperate is grounds for disciplinary action, up to and including termination of employment.

VI. RECORD-KEEPING AND QUESTIONABLE ACCOUNTING OR AUDITING MATTERS

The Company needs honest and accurate recording and reporting of information in order to make reasonable business decisions. Financial information should be recorded promptly and accurately to ensure timely and accurate reporting of financial information. The Company seeks to have every business record accurate, complete and reliable. All of the Company’s books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company’s transactions and must conform both to applicable legal requirements and to the Company’s system of internal controls. Unrecorded or “off the books” funds or assets should not be maintained. Covered Persons must report to the Company any concerns regarding questionable accounting or auditing matters that come to their attention. If you are not sure whether a certain expense or other accounting entry is legitimate, ask your Compliance Representative or supervisor.

Senior accounting personnel and, where applicable, all other Covered Persons should take such actions as are necessary to ensure that in all material respects the Company’s books and records contain no false or misleading entries, that the Company’s business transactions are properly authorized and recorded completely and accurately in accordance with generally accepted accounting principles in the United States (GAAP) and that the documents the Company files with the SEC or makes available to the public contain full, fair, accurate, timely and understandable disclosures relating to the Company. False, misleading, inaccurate or incomplete information may be illegal in some cases, and it also hampers the Company’s ability to make reasonable business decisions. Any employee of the Company may submit a good faith concern or complaint regarding accounting, internal control or auditing matters to the Company

without fear of dismissal or retaliation of any kind. The Company's Audit Committee will oversee the handling and treatment of employee concerns in this area.

Operations and financial reporting records should be maintained in accordance with the Company's document retention policies. In accordance with those policies, in the event of any actual or reasonably anticipated litigation or governmental investigation, please consult the General Counsel prior to the destruction of any documents related to such litigation or governmental investigation. Should you have any questions as to the storage of information, please contact the General Counsel.

VII. PROTECTION AND PROPER USE OF COMPANY ASSETS

All Covered Persons have an obligation to protect the Company's assets and ensure their efficient and legal use. Company assets should be used for legitimate business purposes only, however incidental personal use may be permitted. The fraud, waste and misuse of Company assets have a direct impact on the Company's profits. Suspected instances of fraud or theft should be reported immediately for investigation. If you believe Company resources are being wasted, you should bring it to the attention of your supervisor or your Compliance Representative.

VIII. POLITICAL AND CIVIC ACTIVITIES

The Company does not contribute, directly or indirectly, to political campaigns or to political parties or groups seeking to raise money for political campaigns or parties, and the Company does not and will not reimburse any employee for any political contribution made by an employee.

However, it is not the intention of the Company or of this Code to dissuade employees from actively participating in or making financial contributions to civic, charitable, religious, public, social or residential organizations or other non-partisan causes. Such activities are permitted, and even encouraged, to the extent that they do not detract from performance or effectiveness at work and do not otherwise violate this Code. In the event that a conflict arises or may arise between an outside organization with which an employee is affiliated and the interests of the Company, the employee should refrain from participating in the conflicting or potentially conflicting activity.

No Covered Person should permit his or her affiliation with the Company to be noted in any outside organization's materials or activities without the approval of the General Counsel of the Company unless the employee is specifically authorized to act as a representative of the Company.

IX. CORPORATE OPPORTUNITIES

Covered Persons owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Any business opportunity that is discovered or arises through the use

of Company property, information or position belongs to the Company. Any Covered Person who becomes aware of such an opportunity must bring it to the attention of such person's supervisor. No Covered Person may take personal advantage of such an opportunity without first receiving specific written approval. In the absence of pre-approval, you must abandon or forfeit such opportunity or seek a waiver under Section XVIII. Waivers of or Changes to the Code of Business Conduct and Ethics. Covered Persons are also prohibited from using Company property, information or position for improper personal gain.

X. CONFIDENTIALITY

Covered Persons are expected to maintain the confidentiality of information entrusted to them by the Company, its suppliers or customers, except when disclosure is either expressly authorized by the Company or required by law. Confidential information includes, but is not limited to, non-public information that might be of use to competitors of the Company or be harmful to the Company, its suppliers, customers or employees, if disclosed. Confidential information may consist of financial information, forecasts, analyses, offers and proposals for acquisitions, dispositions, leases and other transactions and the related appraisals, studies and documents. It also includes intellectual property such as trade secrets, as well as business, marketing and operation plans, employee records, customer relationships, databases, records, salary information and any financial data and reports that have not been publicly disclosed by the Company. If you have questions or concerns regarding whether the information is considered confidential information, you should contact or consult with the General Counsel of the Company.

Unauthorized use, disclosure or distribution of confidential information would violate this Code. It could also be illegal and result in civil or even criminal penalties. In addition, unauthorized disclosure could result in a violation of U.S. federal securities laws, including Regulation FD. Upon termination of employment or other relationship with the Company, all Covered Persons must return to the Company all books, records, lists and other written, typed or printed material, whether furnished by the Company or prepared by the Covered Person, which contain any information relating to the Company's business. Covered Persons may neither make nor retain any copies of such materials after termination of their employment. Nevertheless, the obligation to maintain the confidentiality of the Company's confidential information continues even after employment ends. The Company will pursue all legal remedies available at law or in equity to prevent any former employee, officer or director from using Company confidential information.

XI. COMPUTER USE AND ELECTRONIC COMMUNICATIONS

The Company's Information Systems are critical and very valuable Company assets. The purpose of information security is to protect information assets from all types of threats, whether internal, external, deliberate or accidental. Information security also assures the confidentiality, integrity and availability of information and information systems to authorized users. All covered persons using Company information assets must take appropriate actions necessary to protect the information and information systems from accidental or unauthorized access,

modification, destruction, disclosures, inappropriate use or loss.

These electronic information and communication systems are provided for business purposes. Use of such systems must fully comply with this Code of Conduct and Ethics, Company policies, procedures, and applicable laws and regulations.

Information that is created or disseminated via the Company's communications systems and electronic media is not private. In conformance with applicable state or federal laws, authorized Company representatives may periodically access and monitor the use of the Company's electronic communication systems or electronically created or stored data.

XII. COMPETITION AND FAIR DEALING

The Company will compete fairly and honestly and gain competitive advantages through superior performance, not unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited. Each Covered Person should respect the rights of and endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No Covered Person should take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts or other unfair practices.

The Company's policy is to abide by all applicable antitrust and competition laws and regulations. Many countries, including the U.S., have those laws and regulations to make certain that customer choices in the marketplace are not limited by improper agreements or other improper conduct that would affect price, restrict volumes produced or reduce the variety of products or services available to customers.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Covered Person or family member of a Covered Person unless it: (i) is not a gift of cash or cash equivalents; (ii) is consistent with generally accepted business practices and ethical standards; (iii) is not excessive in value; (iv) is not in a form that is likely to be construed as a bribe or payoff; and (v) does not violate any applicable U.S. or foreign laws, rules or regulations, including, among other laws, the U.S. Foreign Corrupt Practices Act. You must never promise, offer or deliver money or other items of value to or for the benefit of any governmental official or governmental employee for the procurement of action or consideration of a government entity or to obtain or retain business with such government entity. Please discuss with your supervisor the propriety of any gifts or proposed gifts that you are not certain are appropriate.

XIII. ACCURATE PUBLIC DISCLOSURE

The Company is committed to the full, accurate, timely and understandable disclosure in documents filed with outside parties, including but not limited to external auditors, credit

providers, banks, government entities, etc. Every Covered Person involved in the preparation or review of such communications should exercise diligence and care to do their part in acting in furtherance of that commitment. This often means going beyond mere compliance with accounting procedures or other rules, and Covered Persons are required to observe both the form and spirit of technical and ethical accounting standards and other disclosure requirements. To the extent a Covered Person believes that any of the Company's periodic reports contains any materially false or misleading information, he or she is encouraged to follow the procedures described in Section VI. Record-Keeping and Questionable Accounting or Auditing Matters.

To the extent you are involved in the process of audit and review of our financial statements, you must endeavor to cooperate with our external auditors. You must never take any action to coerce, manipulate, mislead or fraudulently influence such auditors in such process.

XIV. REGULATION FD COMPLIANCE

In connection with its public communications, the Company is required to comply with a rule under the federal securities laws referred to as Regulation FD (which stands for "fair disclosure"). Regulation FD provides that, when the Company discloses material non-public information about the Company to certain securities market professionals or stockholders (where it is reasonably foreseeable that the stockholders will trade on the information), it must also disclose the information to the public. Company employees who regularly interact with securities market professionals are specifically covered by Regulation FD and have a special responsibility to understand and comply with Regulation FD. Please refer to the Company's Regulation FD Policy for further information.

XV. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR

If you believe that actions that violate this Code have taken place, are currently taking place, or are about to take place, you must bring the matter to the attention of your supervisor or other appropriate personnel. Any supervisor who receives a report of a past, current or pending violation must report it immediately to the General Counsel. If for any reason you are uncomfortable discussing the matter with your supervisor, or if you are dissatisfied with the answer, you may bring it to the attention of the Human Resources Department, or you may **call our Helpline at (844) 877-5472.**

In reporting the violation, the Company prefers you identify yourself to facilitate the investigation; however, you may remain anonymous. The Company will use all reasonable efforts to preserve such anonymity or confidentiality of the person who reports past or potential misconduct. The Company will also use all reasonable efforts to preserve the anonymity of the person about or against whom an allegation is brought, unless and until it is determined that a violation has occurred. You should be aware that the individuals who conduct any investigation will be acting on behalf of the Company and will not act as your personal representative or lawyer. Any person involved in any investigation in any capacity may not discuss or disclose any information to anyone outside the investigation unless required by law or when seeking their own legal counsel. If required by law, the person must cooperate fully. Please see the Company's Whistleblower Policy for further information on reporting illegal or unethical behavior.

The Company will take every report seriously, so you should not use these procedures in bad faith or for personal vendetta. Any use of these reporting procedures in bad faith or in a false or frivolous manner will be considered a violation of this Code.

XVI. NO RETALIATION

Any retaliation for reports of misconduct by others made in good faith by a director, officer or employee will not be tolerated. Any Covered Person who engages in retaliation is subject to discipline, up to and including discharge from the Company and, where appropriate, civil liability and/or criminal prosecution.

XVII. DISCIPLINE

The Company expects directors, officers and employees to adhere to this Code in carrying out their duties or responsibilities for the Company. Those who violate the policies in this Code will be subject to disciplinary action, up to and including discharge from the Company and, where appropriate, civil liability and/or criminal prosecution. If you are in a situation that you believe may violate this Code, you should follow the policies in Section XIV. Reporting Any Illegal or Unethical Behavior.

This Code reflects general principles to guide employees in making ethical decisions and cannot and is not intended to address every specific situation. As such, nothing in this Code prohibits or restricts the Company from taking any disciplinary action on any matters pertaining to employee conduct, whether or not they are expressly discussed in this document.

XVIII. CODE COMPLIANCE PROCEDURES

In order to ensure compliance with this Code, these are the steps to keep in mind when approaching a situation in which it is unclear whether a violation has occurred:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your

question, discuss it locally with your office manager or your Human Resources manager.

- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.

XIX. WAIVERS OF OR CHANGES TO THE CODE OF BUSINESS CONDUCT AND ETHICS

Only the Board or a Board committee may make waivers of this Code after full disclosure of relevant information by the parties involved. Should a waiver occur for an officer or director, it will be promptly disclosed as required by law or regulation. Any changes to this Code will also be promptly disclosed as required by law or regulation and will be posted on the Company's website.

XX. ADMINISTRATION

The Board will help ensure this Code is properly administered. The Board or a Board committee will be responsible for the annual review of the procedures in place to implement this Code. Any changes to this Code require Board approval and will be promptly disclosed as required by law or regulation. This Code will be available at the Company's website.

All officers and supervisors are responsible for reviewing this Code with their employees and ensuring that they have signed the attached certification. Officers also have a duty to help ensure compliance with this Code through the review of practices and procedures in place to facilitate compliance with this Code.

ACKNOWLEDGEMENT AND CERTIFICATION

I hereby acknowledge that I have read the Code of Business Conduct and Ethics for InfraREIT, Inc., have become familiar with its contents and will comply with its terms. Any violations of this Code of which I am aware are noted below.

Name (please print)

Signature

Date

Please describe any violations, exceptions or comments below:

