

## **INFRAREIT, INC.**

### **Charter of the Compensation, Nominating and Corporate Governance Committee**

**Adopted as of January 29, 2015**

The Board of Directors (the “Board”) of InfraREIT, Inc. (the “Company”) has established the Compensation, Nominating and Corporate Governance Committee of the Board (the “Committee”) with the authority, responsibilities and specific duties as provided in this Charter adopted by the Board as of the date set forth above.

#### ***Purpose***

The general purpose of the Committee is to: (1) evaluate the performance of Hunt Utility Services, LLC, the Company’s external manager (the “Manager”), and report the results of such evaluation to the Conflicts Committee; (2) administer any compensation and benefit plans the Company may adopt in the future; (3) review, evaluate and recommend changes, if appropriate, to the compensation of the Company’s directors; (4) assist the Board in identifying individuals qualified to serve as Board members, and recommend to the Board each year the director nominees for the next annual meeting of stockholders; (5) recommend to the Board the directors to serve on each Board committee; and (6) assist the Board in the implementation of sound corporate governance principles and practices. It is the intent of the Board that the Committee shall satisfy the purposes and responsibilities of a compensation committee and a nominating/corporate governance committee, in each case as required by the rules of the New York Stock Exchange (“NYSE”).

#### ***Committee Membership***

The Committee shall consist of no fewer than three members of the Board, each of whom shall meet the independence requirements of Section 10C(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 10C-1 thereunder and any other rule or regulation adopted in connection therewith, the rules of the NYSE, as amended from time to time, the rules and regulations of the Securities and Exchange Commission (“SEC”) and as set forth in the Company’s Corporate Governance Guidelines. Additionally, no director may serve unless that director (a) is a “non-employee director” for purposes of Rule 16b-3 under the Exchange Act and (b) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

The members of the Committee shall be appointed annually by the Board on the recommendation of the Committee and shall be selected on the basis of their overall business knowledge, experience and understanding of corporate board governance, compensation matters and ability to add substance to key deliberations. In addition, the Board must consider all relevant factors to determine whether a potential member has a relationship with the Company which is material to the director’s ability to be independent from management as a Committee member, including the director’s source of compensation and any affiliation with the Company or any subsidiary or affiliate.

Committee members shall serve until their successors are duly elected and qualified by the Board, or until their earlier resignation or removal. The Chairman of the Committee shall be designated by the Board, upon recommendation of the Committee. If the Board should fail to designate a Chairman, or should the Chairman be absent or unavailable, the members of the Committee may designate a chairman by majority vote of the full Committee membership. The Board shall have the authority at any time to remove one or more members of the Committee, with or without cause.

To the extent a responsibility lies with the Committee and as permitted by applicable law, the Committee shall be entitled to delegate any or all of its responsibilities to a Subcommittee, to the extent consistent with the Company's charter, bylaws (the "Bylaws"), Corporate Governance Guidelines and applicable law and rules of markets in which the Company's securities then trade. The Committee and any such Subcommittees collectively are referred to below as the "Committee."

### ***Oversight Areas***

#### *Compensation Related Matters*

- Compensation objectives and strategy, as applicable.
- Compensation policies and programs, as applicable.
- Compensation levels for the non-management directors and, if applicable, executive officers and management personnel.
- Compensation and director benefit plans, including, if applicable, employee benefit plans.
- Periodic review, approval and oversight of the Company's defined benefit plans (qualified and non-qualified), if applicable.
- Administration of stock bonus plans, stock option plans, non-employee director stock plans, non-equity incentive plans and other executive and director compensation arrangements, as applicable, including the InfraREIT, Inc. 2015 Equity Incentive Plan.
- Retention of compensation consultants and/or outside counsel to advise the Committee on compensation-related matters.

#### *Nominating and Corporate Governance Related Matters*

- Screening and recommendation of Board member candidates.
- Evaluation of the performance of the Board and its members.
- Consideration and recommendation of changes in individual directors in accordance with applicable corporate policy, for cause or for other appropriate reasons.

- Development of recommendations for Board committee memberships.
- Oversight of programs for training and orientation of directors.
- Oversight of the performance of the Manager, including the evaluation, to the extent applicable, of the Company's Chief Executive Officer ("CEO") and report the results of this evaluation to the Conflicts Committee.
- Other areas as identified or as set forth below and in the Company's Corporate Governance Guidelines.
- Oversight of the Company's Code of Business Conduct and Ethics, except those functions that are assigned to the Audit Committee of the Board (the "Audit Committee") under applicable statutes, rules or regulations and as set forth in the Audit Committee's charter.
- Director and officer insurance coverage.
- Administration of the Company's Stock Ownership Guidelines (the "Ownership Guidelines").

### ***Meetings***

The Committee should meet at least two times per year, with additional meetings scheduled as necessary or desirable. Meetings may be called by or at the direction of the Chairman of the Committee, any two members of the Committee or the Chairman of the Board. The Chairman of the Committee shall preside at the meetings of the Committee. In the absence of the Chairman of the Committee, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting. In general, directors who are not Committee members may attend meetings of the Committee, except when the Chairman of the Committee determines otherwise. The Committee may adopt such other rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as may be necessary or desirable and not inconsistent with the Bylaws or this Charter. The Committee shall maintain written minutes of its meetings, which minutes shall be filed with the Company's records.

### ***Quorum***

A majority of the total number of members constitutes a quorum of the Committee. A majority of the members of the Committee in attendance at a meeting, where a quorum is present, is empowered to act on behalf of the Committee, except as may be provided otherwise in the Bylaws or this Charter.

### ***Agenda Items***

The activities of the Committee shall be developed from year to year by the Chairman of the Committee in consultation with management and input from other Committee members. Each meeting of the Committee shall have an "Executive Session" as an agenda item.

Committee members and other directors may suggest the addition of any matter to the agenda for any meeting of the Committee. Any Committee member may raise at any meeting of the Committee any subjects that are not on the agenda for that meeting.

### ***Committee Authority and Responsibilities***

The Committee shall have all of the powers of the Board that are necessary or appropriate for the Committee to fulfill its purposes and carry out its duties and responsibilities as set forth in this Charter. In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without the requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

### ***Compensation Plans and Programs***

To the extent that the Company becomes responsible for paying all or any part of the compensation and/or any other employee benefits of the CEO and the other executive officers, the Committee shall develop and evaluate goals and objectives relevant to the CEO's compensation, and approve and/or recommend such goals and objectives for approval by the Board and shall review and report to the Board on its evaluation of executive officer performance and its programs and plans for management development. In addition, the Company shall then amend this Charter to establish authorities and duties for the Committee surrounding the compensation, benefits, incentives, including employment and separation payments. For purposes of this Charter, "executive officers" means the individuals classified by the Company as officers for purposes of the SEC rules under Rule 3b-7 of the Exchange Act, except that a controller need not be identified as an executive officer.

In addition to the foregoing, the Committee shall have the following authority and responsibilities with respect to the Committee's compensation functions:

- Review the compensation and fees payable to the Manager under the management agreement.
- Periodically review and approve (where permitted by the terms of the applicable plan) and/or make recommendations to the Board with respect to amendments to and adoption of Company incentive-compensation plans and equity-based plans.
- Participate with management to address any conflict of interest with any Compensation Advisor (as hereinafter defined) engaged by the Committee.

- To the extent required by applicable law, annually oversee the preparation of the Company's Compensation Discussion and Analysis and prepare (or cause to be prepared) a report for inclusion in the Company's proxy statement for its annual meeting of stockholders, under the names of all Committee members, stating whether the Committee:
  - a. reviewed and discussed the Compensation Discussion and Analysis with management; and
  - b. based upon that review and discussion, recommended to the full Board that the Compensation Discussion and Analysis be included in the Company's annual report on Form 10-K or proxy statement.

In furtherance of the Committee's purpose, and in addition to any other responsibilities which may be properly assigned by the Board from time to time hereunder, the Committee shall have the following authorities and duties with respect to its nominating and governance functions:

*Board Size and Composition*

- Establish criteria for the selection of directors, taking into account the criteria set forth in the Company's Corporate Governance Guidelines.
- Assess, on an annual basis, the skills and characteristics that candidates for election to the Board at the Company's next annual meeting of stockholders should possess, or candidates to fill vacancies on the Board between annual meetings of stockholders should possess, as well as the composition of the Board as a whole, and make such recommendations to the Board with respect thereto as the Committee deems appropriate. The Committee shall actively seek individuals qualified to become Board members and present recommendations for specific nominees for directorships to the Board, including (as the Committee deems appropriate) recommendations for renomination of current directors. All candidates must meet the criteria for directors as referred to in the Company's Corporate Governance Guidelines.
- Have the sole authority to retain and terminate any search firm to be used to assist in the identification and recruitment of director candidates and have the sole authority to approve the search firm's fees and other retention terms.
- Prior to the nomination of directors for re-election, assess the performance of each director whose term is expiring and determine whether that director should be nominated for election to an additional term. This determination is to be made following an assessment of the director's performance, including the following factors: the director's attendance, understanding of the Company's business, understanding of the Company's strategies, overall level of involvement, contributions to the Board, number of other boards on which the director serves, any change in the independence of the director, and any change in status of the director.

- Identify and recommend to the Board the directors proposed for membership of the various committees of the Board and the chairmen of such committees. In recommending a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of that committee, if any, as well as any other factors it deems appropriate, including without limitation the consistency of the candidate's experience with the goals of such committee and the interplay of the candidate's experience with the experience of other members of such committee.

#### *General Corporate Governance Matters*

- Review commercial and other relationships between directors (and their immediate family members or affiliated firms) and the Company, including related party transactions, to make a determination regarding the independence of each director and make a recommendation to the Board as to the independence of each director.
- Monitor on an ongoing basis the Board's compliance with regulations related to director independence, and make recommendations to the Board for changes when appropriate.
- Assist management in the preparation of the disclosure in the Company's annual proxy statement and other documents filed with the SEC regarding director independence and the operations of the Committee.
- Establish procedures for and oversee the annual evaluation of the Board (including individual directors) and the Board's committees to determine whether they are functioning effectively and in accordance with their respective charters and the Company's Corporate Governance Guidelines.
- Oversee the development and implementation of programs for the training and orientation of new directors to familiarize them with the Company's business and key challenges.
- Review and reassess the adequacy of the Corporate Governance Guidelines of the Company at least annually and recommend any proposed changes to the Board for approval.
- Establish, review and update periodically the Code of Business Conduct and Ethics and ensure management has a system to enforce the same. Exercise primary oversight responsibility for the Company's Code of Business Conduct and Ethics, except those functions that are assigned to the Audit Committee under applicable statutes, rules or regulations and as set forth in its Charter.
- Review and discuss with management any significant communication from stockholders and others concerning the Company's annual meeting of stockholders and governance processes and make recommendations to the Board in respect thereof, if necessary.

- Oversee the Company's positions on and policies with respect to significant stockholder relations issues, including all proposals submitted by stockholders for inclusion in the Company's proxy statement.
- Make regular reports to the Board, including its annual assessment of the performance of the Board, its committees and individual directors.
- Review and assess the adequacy of the Company's charter and the Bylaws periodically and recommend any proposed changes to the Board for approval.
- Review any situation in which an individual director intends to change his or her professional occupation or association, including the acceptance or termination of employment, directorship or a significant consulting arrangement, in each case that he or she held when last elected to the Board (other than a change anticipated and disclosed to the Board at the time of nomination for the last election), or any issues with respect to any ethical standard set forth in the Company's Code of Business Conduct and Ethics, and make a recommendation to the Board as to whether to request that such director volunteer to resign from the Board or any committees of the Board on which he or she serves.
- Review, and, if it deems appropriate after consultation with the Conflicts Committee, recommend for consideration by the Board, transactions with related persons and other companies with which any Board member is affiliated.
- Periodically review and make recommendations to the Board regarding the size of the Board and its committees.
- Periodically review matters relating to indemnification of and insurance coverage for directors and officers of the Company and make recommendations to the Board relating thereto.
- Periodically review legislative and regulatory issues affecting the Company's corporate governance.
- Administer the Ownership Guidelines, as set forth in the Company's Corporate Governance Guidelines, including, without limitation, periodically reviewing director compliance with the Ownership Guidelines. Without limiting the generality of the foregoing, administration of the Ownership Guidelines includes the authority to interpret, waive and amend the Ownership Guidelines.

*Advisors; Expenses*

The Company shall provide for appropriate funding, as determined by the Committee, for expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have the authority to retain or obtain the advice of, at the Company's expense, and terminate such consultants, outside counsel and other advisors with respect to the Committee's compensation functions (each, a "Compensation Advisor") as the Committee may deem appropriate in its sole discretion. The Committee may only select a Compensation Advisor

after taking into consideration the factors set forth in Exchange Act Rule 10C-1, including but not limited to:

- the provision of other services to the Company by the person that employs the Compensation Advisor;
- the amount of fees received from the Company by the person that employs the Compensation Advisor, as a percentage of such person's total revenue;
- the policies and procedures of the person that employs the Compensation Advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the Compensation Advisor with a member of the Committee;
- any ownership of the Company's common stock by the Compensation Advisor; and
- any business or personal relationship of the Compensation Advisor or the person employing the Compensation Advisor with an executive officer of the Company.

The Committee must consider the foregoing independence factors prior to consulting with any advisor, including outside counsel or advisors retained by management, other than (i) the person serving as the Company's in-house legal counsel or (ii) a Compensation Advisor that acts in a role limited to the following activities: (a) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company, and that is generally available to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the Compensation Advisor, and about which the Compensation Advisor does not provide advice.

To the extent a Compensation Advisor is retained by the Committee, the Committee shall be directly responsible for the compensation and oversight of the work of the Compensation Advisor and shall have sole authority to approve related fees and other retention terms.

The Committee shall have authority to select, retain, terminate and approve the fees and other retention terms of such other independent or outside counsel, accountants or other advisors, in each case of its choice and as it determines to be necessary or appropriate to carry out its duties with respect to its compensation, nominating and governance functions.

### *General*

In furtherance of the Committee's purpose, and in addition to the foregoing responsibilities and to any other responsibilities which may be properly assigned by the Board from time to time hereunder, and to the extent applicable, the Committee shall also have the following authorities and duties:

- Form and delegate authority to Subcommittees when the Committee determines it appropriate to do so.

- Make regular reports to the Board.
- Exercise oversight of risks related to the Committee's assigned areas of oversight as set forth in this Charter, and periodically report to the Board on such risks.
- Annually evaluate its own performance and report such assessment to the Board.
- Annually review and reassess the adequacy of this Charter, including any director compensation policies, and recommend any proposed changes to the Board for approval.
- Take such other actions and carry out such other duties and responsibilities as may be referred to it from time to time by the Board.

***Website***

This Charter, as it may be amended from time to time, shall be posted on the Company's website.