INFRAREIT, INC.

Corporate Governance Guidelines

The Board of Directors (the "Board") of InfraREIT, Inc. (the "Company") has adopted these Corporate Governance Guidelines (these "Guidelines"), in order to assist the Board in the exercise of its responsibilities and to serve the best interests of the Company and the stockholders of the Company. These Guidelines assure the Board will have the necessary authority and practices in place to review and evaluate that Company's business operations as needed and to make decisions that are independent of the Company's management. They are also intended to align the interests of directors and the external management with those of the Company's stockholders with the objective of achieving value creation, the accountability of external management to the Board and the accountability of the Board to the Company's stockholders, in accordance with ethical and legal principles. These Guidelines provide a framework for Board leadership and oversight in the areas of strategic planning, risk assessment, compensation oversight and transparency.

These Guidelines should be interpreted in the context of all applicable laws and the Company's charter, bylaws and other corporate governance documents. These Guidelines are not intended, nor should they be construed, to replace the legal obligations of the Board but are intended to facilitate the efficient execution of such obligations. The Guidelines are subject to review and modification from time to time by the Board or a committee thereof as the Board or such committee may deem appropriate and in the best interests of the Company and its stockholders and as required by applicable laws and regulations.

Role of Board and Management

The Company's business is conducted by its external manager and the person who serves as the Company's officers, led by the Chief Executive Officer (the "CEO"), under the direction and the oversight of the Board, including one or more of its committees as set forth in the Company's bylaws and committee charters. The basic responsibility of each director is to discharge his or her duties (a) in good faith; (b) in a manner reasonably believed by the director to be in the best interests of the Company; and (c) with the care that an ordinarily prudent person in a like position would use under similar circumstances. The directors are elected by the stockholders to oversee the management of the business of the Company and to assure that the long-term interests of the stockholders are being served, subject to applicable provisions of law and the Company's charter and bylaws. Both the Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties.

Director Qualifications

The Company's charter and bylaws provide that the Board will be comprised of not less than the minimum number of directors required by the Maryland General Corporation Law nor more than 15 directors. The Board will periodically review the appropriate size of the Board. The Board will have a majority of directors who meet the criteria for independence required by the rules of the New York Stock Exchange ("NYSE"). The Compensation, Nominating and

Corporate Governance Committee is responsible for assessing, on an annual basis, the skills and characteristics that candidates for election to the Board at the Company's next annual meeting should possess, as well as the composition of the Board as a whole, and for making appropriate recommendations to the Board. This assessment will include the qualifications under applicable independence standards and other standards applicable to the Board and its committees, as well as consideration of skills and experience in the context of the needs of the Board and recommendations from stockholders, if any. The Compensation, Nominating and Corporate Governance Committee shall consider individuals recommended or nominated by stockholders, as provided in its charter and/or the Company's bylaws. The Board recognizes the benefits of a diversified board and believes that any search for potential director candidates should consider diversity as to gender, ethnic background and personal and professional experiences. The Board shall consider, and make a determination regarding, on a case-by-case basis the independence of each director. No director shall be considered independent unless the Board affirmatively determines that he or she has no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. The Compensation, Nominating and Corporate Governance Committee, in accordance with the policies and principles in its charter, will recommend nominees for director to the full Board. The invitation to join the Board should be extended by the Chairman of the Board or the CEO, on behalf of the Board.

In order to make a meaningful individual contribution toward fulfillment of the Board's functions, directors should be committed to serving the long-term interests of the Company. Directors must be willing to devote sufficient time to discharging their duties and responsibilities and should be committed to serving on the Board for an extended period of time. No director should serve on so many other public company boards that his or her ability to devote an appropriate amount of time and attention to his or her duties as a Board member or to the Company's affairs would be compromised. Determination of the existence of such a situation would be subject to the discretion of the Compensation, Nominating and Corporate Governance Committee. Directors should advise the Chairman of the Board and the chairman of the Compensation, Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board of directors (or similar governing body) of another public company or other entity (whether public or private). In addition, before accepting an invitation to serve on another company's board of directors (or similar governing body), directors should consult with the Company's General Counsel to determine that the new directorship would not cause issues under section 8 of the Clayton Act.

The Board does not believe it should establish term limits or a mandatory retirement age. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they present the disadvantage of causing the loss of the contributions of directors who have been able to develop, over a period of time, extensive insight into the Company and its operations and who are capable of providing continuing contributions to the Board. As an alternative to term limits, the Compensation, Nominating and Corporate Governance Committee will review each director's qualifications, suitability and willingness to continue on the Board in connection with the selection of nominees to take office when the director's term expires. This review will allow each director the opportunity to confirm his or her desire to continue as a member of the Board.

Director Responsibilities

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should ordinarily be distributed in writing (including electronic form) to the directors before the meeting, and directors should review these materials in advance of the meeting. The Chairman of the Board may invite members of management, including the CEO and the General Counsel, to attend meetings on a regular basis and invite members of management to attend meetings as needed.

The directors will elect a Chairman of the Board. Both independent and management directors, including the CEO, are eligible for appointment as the Chairman of the Board. The independent directors may also elect one director from the independent directors to represent the independent directors (the "Lead Director"). The Board has no policy requiring either that the positions of the Chairman of the Board and of the CEO should be separate or that they should be occupied by the same individual. In addition, the Board has no general policy on whether, if such offices are separate, the Chairman of the Board should be selected from the independent directors or be an officer of the Company. The Board believes that this issue is properly addressed as part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination on these matters when it elects a new CEO or Chairman of the Board or at other times consideration is warranted by circumstances.

The Board shall meet at least four times per year. Additional meetings may be scheduled as necessary or appropriate in light of circumstances. The Chairman of the Board, together with the CEO (if these offices are held by two individuals) and the Company Secretary, will prepare and distribute to the directors and any members of management who regularly attend Board meetings an annual schedule of meetings for the Board and the standing committees of the Board. To the extent practicable, the schedule shall reflect agenda subjects that are generally of a recurring nature and are expected to be discussed during the year in question.

The Chairman of the Board, together with the CEO (if these offices are held by two individuals), will establish the agenda for each Board meeting, which, if practicable, will be distributed to each director in advance of the meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year. As deemed appropriate by the Board as part of its risk oversight role, the Board will review reports from management regarding the Company's material risks and assess the efforts in place to manage those risks.

The nonmanagement directors will meet regularly in executive session without management participation at least semiannually. The Chairman of the Board or the Lead Director or two or more nonmanagement directors may call regular and special meetings of the nonmanagement directors. In addition, if the group of nonmanagement directors includes a director who is not independent under the rules of the NYSE, the independent directors will meet in executive session at least annually. The directors meeting in executive session do not constitute a formal committee of the Board and therefore shall not take corporate action at such sessions, although the participating directors may make recommendations for consideration by the full Board. The Lead Director shall chair these meetings, or if there is no Lead Director, the chairmen of the Company's Audit Committee, Conflicts Committee, and Compensation, Nominating and Corporate Governance Committee will chair these meetings on a rotating basis. In addition, interested parties may communicate directly with the independent directors by submitting a communication in an envelope addressed to the "Board of Directors (independent members)" in care of the Company's Corporate Secretary. All such communications shall be forwarded to the independent directors for their review.

The Board believes that management should speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various outside constituencies that are involved with the Company. However, it is expected that Board members would do this with the knowledge of management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management. Accordingly, Board members shall promptly advise management if approached by outside constituencies regarding Company business.

The Board also has a policy that each director should make reasonable efforts to attend the annual meetings of stockholders of the Company. If required by applicable rules, the Company's annual proxy statement will specify the number of directors who attended the prior year's annual meeting.

Board Committees

The Board will have at all times an Audit Committee, a Conflicts Committee and a Compensation, Nominating and Corporate Governance Committee (the "Standing Committees"). All of the members of the Standing Committees will meet the requirements of "independent directors" under the rules of the NYSE.

Members of the Standing Committees will be appointed or approved at least annually by the Board following receipt of the recommendations of the Compensation, Nominating and Corporate Governance Committee and with consideration given to the desires of individual directors. In making its determinations, the Board shall consider, among other things, the need for continuity, subject matter expertise, and applicable Securities and Exchange Commission ("SEC"), NYSE and Internal Revenue Service ("IRS") requirements. A director who is employed by another entity for which the CEO or another executive officer of the Company serves on the board may not serve on the Compensation, Nominating and Corporate Governance Committee. The composition of the Standing Committees will be reviewed annually to ensure that each of its members meets the criteria set forth in applicable rules and regulations of the SEC, the NYSE and the IRS and other applicable rules and regulations.

Each of the Standing Committees will have a written charter adopted by the Board. The charter will set forth the purposes and responsibilities of such Standing Committee as well as qualifications for committee membership, procedures for appointment and removal of committee members, committee structure and operations and committee reporting to the Board.

Each Standing Committee shall have the authority, to the extent it deems appropriate, without consulting or obtaining the approval of any officer of the Company in advance, to engage and obtain advice and assistance from independent or outside legal, accounting or other advisors. Each Standing Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding for payment of compensation to any such advisors, as well as administrative expenses necessary or appropriate in carrying out Standing Committee duties.

The Board shall designate one member of each committee to be such committee's chairman. If not so designated by the Board, the chairman of a committee shall be elected by the members of such committee. The chairman of each committee, in consultation with other members and senior management as appropriate, will develop the committee's written agenda for each meeting. Committee members and other directors may suggest the addition of any matter to the agenda for any committee meeting. Any committee member may raise at any committee meeting subjects that are not on the agenda for the meeting.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

Director Access to Officers, Employees and Other Advisors

In discharging their responsibilities, directors should be entitled to rely on the honesty and integrity of the persons serving as the Company's senior executives and its outside advisors and auditors. Directors will have full and free access to the Company's officers and employees (which shall include employees and key personnel of the Company's external manager). Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Corporate Secretary or made directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, and except if such contact is related to the performance of a particular Board committee, copy the CEO on any written communications (including email) between a director and an officer or employee of the Company; provided, however, that any director may directly contact the Company's internal auditor (or persons performing the internal audit function) without informing the CEO or any other executive officer of the Company.

CEO Evaluation and Succession Planning

The Company's CEO shall be selected by the Company's external manager. To the extent the Company is responsible for paying all or any part of the compensation of the CEO, the Compensation, Nominating and Corporate Governance Committee will oversee the annual assessment of the CEO's performance, as provided in the Compensation, Nominating and Corporate Governance Committee's charter.

Director Compensation and Indemnification

The Compensation, Nominating and Corporate Governance Committee, in accordance with the policies and principles set forth in its charter, will determine or recommend to the Board the form and amount of director compensation. Directors who are employees of the Company or the Company's external manager, shall not be separately compensated for their services as directors. The Board believes that an alignment of director interests with those of stockholders is important. Accordingly, the Board believes that a portion of directors' compensation should be paid in stock, stock options or other forms of compensation that correlate with the market value of the Company.

The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by applicable law and the Company's charter, bylaws and any indemnification agreements approved by the Board, and to exculpation of liability as provided in Maryland law and the Company's charter.

Annual Performance Evaluation

The Compensation, Nominating and Corporate Governance Committee will oversee the Board's annual self-evaluation to determine whether the Board and its committees are functioning effectively. The Compensation, Nominating and Corporate Governance Committee will solicit comments from all directors and report annually to the Board with an assessment of the performance of the Board, its committees and individual directors. This assessment will then be discussed and taken into account by the full Board in its consideration of any appropriate action or response.

Director Orientation and Continuing Education

Each new director should participate in an orientation program developed and implemented with the oversight of the Compensation, Nominating and Corporate Governance Committee, which should be conducted promptly after his or her initial election or appointment to the Board. This orientation will include presentations by senior management to familiarize new directors with the Company's operations, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers and its internal and independent auditors. Other directors are also welcome to attend any of these orientation programs.

The Board believes it is appropriate for directors, at their discretion, to have access to educational programs related to their duties as directors on an ongoing basis to enable them to better perform their duties and to recognize and deal appropriately with issues that arise. The Company will provide appropriate funding for any such program in which a director wishes to participate. Directors will obtain approval from the chairman of the Compensation, Nominating and Corporate Governance Committee prior to attending continuing education courses.

Conflicts of Interest

Unless an exemption is otherwise provided in the Company's charter and/or bylaws, if an actual or potential conflict of interest develops because of significant dealings or competition between the Company and a business with which the director is affiliated, the director should report the matter promptly to the Chairman of the Board for evaluation by the Board. A significant conflict must be resolved or the director should resign. If a director has a personal interest in a matter before the Board, the director should disclose the interest to the full Board and excuse himself or herself from participation in the discussion and any vote on the matter.

Stock Ownership Guidelines

To align the interests of the Company's directors, executive officers and stockholders, directors and executive officers should have a significant financial stake in the Company. To further that goal, the Board has adopted, effective as of the date of the Company's initial public offering, the stock ownership guidelines for the Company's nonemployee directors and executive officers set forth below.

> Each Director shall be required to own Company common shares, or partnership units or other securities that have the potential to become Company common shares, in an amount equal to five times his or her annual cash retainer fee (on an after-tax basis assuming a 35% tax rate). Each Director shall be given five years to acquire that level of common shares.

The Committee may review such policy from time-to-time and make such changes as the Committee deems appropriate.

Review of These Guidelines

The operation of the Board is a dynamic and evolving process. Accordingly, these Guidelines will be reviewed periodically by the Board and/or the Compensation, Nominating and Corporate Governance Committee and any recommended revisions will be submitted to the full Board for consideration.