

CORENERGY INFRASTRUCTURE TRUST, INC.

AUDIT COMMITTEE CHARTER

I. PURPOSE

The Audit Committee is a committee of the Board of CorEnergy Infrastructure Trust, Inc. (the “Company”). Its primary function is to assist the Board in fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community and others. This Charter sets forth the duties and responsibilities of the Audit Committee.

The Audit Committee serves as an independent and objective party to oversee the Company’s accounting policies, financial reporting, and internal control system, as well as the work of the independent auditors. The Audit Committee is the approving body and final governance step to provide adequate assurance that the Company’s financial statements are complete and accurate and have been prepared in accordance with generally accepted accounting principles. The Audit Committee assists Board oversight of (1) the integrity of the Company’s financial statements; (2) the Company’s compliance with legal and regulatory requirements; (3) the independent auditors’ qualifications and independence; (4) the implementation of the Company’s valuation procedures; and (5) the performance of the Company’s internal audit function and independent auditors. The Audit Committee also serves to provide an open avenue of communication among the independent auditors, Company management and the Board.

Company management has the primary responsibility to establish and maintain systems for accounting, reporting and internal controls, which functions may be delegated to an accounting service agent or custodian, provided Company management provides adequate oversight.

The independent auditors have the primary responsibility to plan and implement a proper audit of the Company’s financial statements, including consideration of the Company’s accounting, reporting and internal control practices. The Audit Committee may have additional functions and responsibilities as deemed appropriate by the Board and the Audit Committee.¹

Although the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and have been prepared in accordance with generally accepted accounting principles.

¹ The Audit Committee also has as a purpose the preparation of an audit committee report to be included in the annual proxy statement. This report is described in footnote 6.

II. COMPOSITION AND ORGANIZATION

A. **Charter.** The Audit Committee shall maintain this charter to outline all relevant SEC and NYSE company requirements. The charter shall be reviewed annually and recommended changes, if any, shall be made to the Board. A copy of this charter shall be made available on the Company's web site in accordance with NYSE rules, or if permitted under applicable rules and regulations, on the web site of the Company's Manager.

B. **Committee Membership.** The Audit Committee shall be comprised of a minimum of three (3) members. All members of the Audit Committee shall be independent board members who are free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

C. **Audit Committee Independence.** For these purposes, a board member is considered an independent board member if: he or she is not an "affiliated person" of the Company or any subsidiary of the Company, as that term is defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act"); he or she does not accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the Company (except in the capacity as a Board or committee member); and he or she meets the independence requirements set forth in the New York Stock Exchange Listed Company Manual, Section 303A.02 and Rule 10A-3(b)(1) of the Exchange Act.

Each member of the Audit Committee must satisfy such additional criteria of independence as the Board may establish and such additional regulatory or listing requirements as the Board may determine to be applicable or appropriate.

D. **Member Financial Literacy and Simultaneous Service.** Each member of the Audit Committee shall be financially literate, within a reasonable period of time after appointment to the committee (as determined in the business judgment of the Board); must be "independent" within the meaning of Rule 10A-3 under the Securities Exchange Act of 1934; and may not serve on more than two other public company audit committees unless the Board determines that such simultaneous service would not impair the ability of the member to serve effectively on the Audit Committee. The Audit Committee will review the qualifications of its members and determine whether any member qualifies as an "audit committee financial expert"² as defined by the Securities

² An "audit committee financial expert" of a company is defined as a person who has all of the following attributes: (1) an understanding of generally accepted accounting principles ("GAAP") and financial statements; (2) the ability to assess the general application of GAAP in connection with the accounting for estimates, accruals and reserves; (3) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the company's financial statements, or experience actively supervising one or more persons engaged in such activities; (4) an understanding of internal control over financial reporting; and (5) an understanding of audit committee functions. An audit committee financial expert must have acquired such attributes through any one or more of the following: (1) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions (or active supervision of such persons); or (2) experience

and Exchange Commission (“SEC”). At least one member of the Audit Committee shall be an “audit committee financial expert” as defined by the SEC.

Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs from time to time, at the expense of the Company.

E. **Committee Election.** The members of the Audit Committee shall be elected by the Board annually and serve until their successors shall be duly elected and qualified. Unless a Chairman is elected by the Board, the Chairman shall be elected annually by a majority vote of the members of the Audit Committee.

F. **Access To Management.** The Audit Committee shall have unrestricted access to the independent auditors, internal auditors, and the executive and financial management of the Company. The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority in its discretion to retain special legal, accounting, or other experts or consultants to advise the Audit Committee at the expense of the Company if, in the Audit Committee’s judgment, that is appropriate.

G. **Committee Meetings.** The Audit Committee shall meet four times annually, or more frequently as circumstances dictate. Special meetings (including telephone meetings) may be called by the Chair or a majority of the members of the Audit Committee upon reasonable notice to the other members of the Audit Committee. With a view to fostering open communication, the Audit Committee shall meet at least annually with senior Company management responsible for accounting and financial reporting, with internal auditors (or other personnel responsible for the internal audit function), and with the independent auditors in separate executive sessions to discuss any matters that the Audit Committee, or any of such other persons, believes should be discussed privately.

III. RESPONSIBILITIES AND DUTIES

A. **Understanding and Review of Internal Controls.** The Audit Committee shall review annually with Company management and the independent auditors the organizational structure, reporting relationship, adequacy of resources, and qualifications of the senior Company management personnel responsible for accounting and financial reporting.

The Audit Committee shall review with management and the auditors their separate evaluations of the adequacy and effectiveness of the Company’s system of internal controls, including those of the Company’s service providers, any significant findings related to the Company’s systems for accounting, reporting, and internal controls in the form of written observations and recommendations (including any management letter) and Company management’s written response.

overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (3) other relevant experience.

The Audit Committee shall review annually with Company management and the independent auditors the policies for valuation of Company portfolio securities and other assets and the frequency and magnitude of pricing errors.

- i) **Internal Audit Process.** The Audit Committee shall review management's plan, structure, and resources related to the Company's internal audit procedures. The Audit Committee shall be responsible for oversight of the internal audit function, including annual audit plans, activities, staffing and organizational structure.

The Audit Committee shall maintain an independent and direct reporting relationship with individuals executing the internal audit function. In addition, the internal auditors shall report directly to the Audit Committee on any executed reviews and shall regularly meet in private sessions with members of the Audit Committee.

The Audit Committee shall discuss with the internal auditors the overall scope, plans and related resourcing and budget requirements to execute the plans.

The Audit Committee shall be responsible for advising the Board with respect to any proposed appointment, replacement or dismissal of the chief auditor or individual overseeing the internal audit process.

The Audit Committee shall ensure there are no unjustified restrictions or limitation on internal audit communications with the Audit Committee.

B. Oversight of Independent Auditors. The Audit Committee shall approve and recommend to the Board the selection, retention, or termination of the independent auditors and approve the fees and other compensation to be paid to the independent auditors. Such selection shall be pursuant to a written engagement letter approved by the Audit Committee. The independent auditors shall report directly to the Audit Committee.

The Audit Committee shall pre-approve any engagement of the independent auditors to provide any non-prohibited services to the Company, including the fees and other compensation to be paid to the independent auditors.³ The Chairman of the Audit Committee may grant the pre-approval referenced above for non-prohibited services for engagements of less than \$10,000. All such delegated pre-approvals shall be presented to the Audit Committee no later than the next Audit Committee meeting.

³ Pre-approval of non-audit services for the Company pursuant to Section IV.C.2. above is not required if: (a) the aggregate amount of all non-audit services provided to the Company is no more than 5% of the total fees paid by the Company to the independent auditors during the fiscal year in which the non-audit services are provided; (b) the services were not recognized by Company management at the time of the engagement as non-audit services; and (c) such services are promptly brought to the attention of the Audit Committee by Company management and the Audit Committee approves them (which may be by delegation) prior to the completion of the audit.

The Audit Committee shall preapprove any engagement of the independent auditors, including the fees and other compensation to be paid to the independent auditors, to provide any non-audit services to the Manager (or any “control affiliate”⁴ of the Manager providing ongoing services to the Company), if the engagement relates directly to the operations and financial reporting of the Company. The Chairman of the Audit Committee may grant the pre-approval referenced above for non-prohibited services for engagements of less than \$10,000. All such delegated pre-approvals shall be presented to the Audit Committee no later than the next Audit Committee meeting.

- i) **Determination of Independence of External Auditors.** On an annual basis, request, receive in writing, and review a report by the independent auditors describing: procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigations by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and all relationships between the independent auditors and the Company, so as to assess the auditors’ independence, including identification of all relationships the independent auditors have with the Company and all significant relationships the independent auditors have with the Manager (and any “control affiliate” of any Manager) and any material service provider to the Company (including, but not limited to, disclosures regarding the independent auditors’ independence required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors’ communications with the Audit Committee concerning independence, and compliance with the applicable independence provisions of Rule 2-01 of Regulation S-X).

In assessing the auditors’ independence, the Audit Committee shall take into account the opinions of Company management. The Committee will present its conclusions with respect to the independent auditors to the Board, and recommend that the Board take appropriate action, if any, in response to the independent auditors’ report to satisfy itself of the independent auditors’ independence.

- ii) **Annual External Audit.** On an annual basis, meet with the independent auditors and Company management to review the arrangements for and scope of the annual audit for the current year and the audit procedures to be utilized. This shall include reviewing

⁴ “Control affiliate” means any entity controlling, controlled by, or under common control with the Manager.

the management letter, if any, prepared by the independent auditors and Company management's response.

- iii) **Hiring Policies for External Auditors.** Establish clear hiring policies for the Company with respect to employees or former employees of the independent auditors. In addition, the Audit Committee shall review and evaluate the lead audit partner (such review to include consideration of whether, in addition to the regular rotation of the lead audit partner as required by law, in order to assure continuing auditor independence, there should be regular consideration of rotation of the firm serving as independent auditor).
- iv) **Annual Report from External Auditors.** The Audit Committee shall receive annually a report from the independent auditors to the Audit Committee of any changes to the previously reported information regarding: all critical accounting policies and practices to be used; all alternative treatments of financial information within GAAP for policies and practices related to material items that have been discussed with Company management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and other material written communications between the independent auditors and Company management including, but not limited to, any management letter or schedule of unadjusted differences.

If the communication is not within 90 days prior to the filing of the Company's annual financial statements with the SEC, the independent auditors shall provide an update in the 90 day period prior to the filing.

C. **Risk Assessment and Risk Management.** The Audit Committee shall review policies and procedures with respect to financial statement risk assessment and risk management, including the steps Company management has taken to monitor and control such risk exposures.

D. **Legal and Regulatory Requirements.** The Audit Committee shall periodically review with management, Company counsel, Company compliance officer, and internal and external auditors any correspondence with, or action by, regulators or governmental agencies and any employee complaints or published reports that raise compliance issues on compliance with the Company's Code of Ethics and Business Conduct.

The Audit Committee shall also meet periodically, and may request to meet separately, with the Company counsel, Company compliance officer, internal auditor or other appropriate personnel, regarding matters that may involve criminal conduct or potential criminal conduct and the Company's compliance with applicable law and listing standards. The Company counsel, Company compliance officer and internal auditor each have express authority to communicate personally with the chairperson of the Audit

Committee on any such matters as appropriate.

The Audit Committee shall review annually the adequacy and appropriateness of the Company's compliance programs. In line with this responsibility, the Audit Committee will ensure their evaluation incorporates:

- i) **Code of Conduct.** The Audit Committee shall review annually the adequacy and appropriateness of the Company's compliance programs. The review shall include a summary of employees' compliance with the Code of Ethics and Business Conduct.
- ii) **Whistleblowing procedures.** The Audit Committee shall establish procedures for the receipt, retention, and treatment of complaints or concerns received by the Company or the Audit Committee regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by officers of the Company, employees of the Company's asset manager or any sub-advisors (each a "Manager" and together the "Managers") or any other service provider to the Company.

E. **Valuation of Investments.** The Audit Committee is responsible for reviewing the valuation report provided by any Manager and any analysis of the independent valuation firm and make recommendations to the Board regarding valuation determinations.

F. **Financial Reporting Processes.** The Audit Committee shall review with Company management and the independent auditor the Company's audited financial statements and quarterly financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the financial statements and the adequacy of internal controls. The Audit Committee shall be responsible for resolving any disagreements between management and the auditor regarding financial reporting. The Audit Committee shall recommend to the Board, if appropriate, that the audited financial statements be included in the Company's annual report on Form 10-K;

- i) **Review of Quarterly and Annual Financial Statements.** The Audit Committee shall review and discuss with management and the independent auditors the quarterly financial information to be included in the Company's Quarterly Reports on Form 10Q, including the disclosures under "Management Discussion and Analysis of Financial Condition and Results of Operations."

Responsibilities for the understanding of financial reporting, financial statements and disclosures shall include the Audit Committee's responsibility to review with the Company management and the independent auditors the matters that auditing

professional standards require to be communicated to the Audit Committee, including, but not limited to, the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standards (Communications with Audit Committees), including:

- the independent auditors' judgments about the quality, and not just the acceptability, of the Company's accounting principles as applied in its financial reporting;
- the process used by Company management in formulating estimates and the independent auditors' conclusions regarding the reasonableness of those estimates;
- all significant adjustments arising from the audit, whether or not recorded by the Company;
- when the independent auditors are aware that Company management has consulted with other accountants about significant accounting and auditing matters, the independent auditors' views about the subject of the consultation;
- any disagreements with Company management regarding accounting or reporting matters;
- any difficulties encountered in the course of the audit, including any restrictions on the scope of the independent auditors' activities or on access to requested information; and
- significant deficiencies in the design or operation of internal controls.

The review with the independent auditors of any audit problems or difficulties should also include a review of management's response and a discussion of the responsibilities, budget and staffing of the Company's internal audit function.

- ii) **Disclosure Controls and Procedures.** The Audit Committee shall conduct a baseline review with Company management and the independent auditors of the process for developing the Company's "disclosure controls and procedures"⁵ as defined in Rule 13a-15(e) under the Exchange Act. The Audit Committee shall thereafter

⁵ "Disclosure controls and procedures" means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or person performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

review any significant changes thereto. In addition, the Audit Committee shall review the Company's disclosure controls and procedures process quarterly as well as management's conclusions about the effectiveness of such disclosure controls and procedures.

The Audit Committee shall receive a report, quarterly, from Company management that all necessary certifications have been made under Sarbanes-Oxley Act of 2002.

The Audit Committee shall review with Company management and the independent auditors a report by Company management covering any Form 10-K or Form 10-Q filed, and any required certification of such filing, along with the results of Company management's most recent evaluation of the Company's "disclosure controls and procedures."

- iii) **Tax Accounting Policies.** The Audit Committee shall ask Company management, the Company's accounting services agent, and the independent auditors to review significant changes to elected tax accounting policies and their effect on amounts distributed and reported to shareholders for Federal tax purposes and review any material accounting, tax, valuation, or recordkeeping issues that may affect the Company, its financial statements, or the amount of its dividends or distributions.

G. **Related Party Transactions.** The Audit Committee shall review periodically the Company's policy with respect to related person transactions and shall review annually a summary of the Company's transactions with Directors and executive officers of the Company as well as any other material related party transactions for the purpose of recommending to the disinterested members of the Board that the transactions are fair, reasonable, and within Company policy and should be ratified and approved.

H. **Preparation of Report for Proxy Statement.** The Audit Committee shall be responsible for preparing a report of the Audit Committee as required to be included in the annual proxy statement.⁶

I. **Oversight of Hedging Policies.** The Audit Committee shall

⁶ Item 407 of Regulation S-K requires each proxy statement relating to a shareholder meeting at which directors are to be elected to include a report, followed by the name of each Audit Committee member, stating whether: (1) the Committee has reviewed and discussed the audited financial statements with management, (2) the Committee has discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, (3) the Committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Audit Committee concerning independence, and has discussed with the independent auditors their independence, and (4) based on the review and discussions referred to in paragraphs (1) through (3), the Audit Committee recommended to the Board that the audited financial statements be included in the Company's annual report to shareholders on Form 10-K.

periodically review and discuss with management the Company's hedging policies, including the use of swaps and other derivative instruments. The Audit Committee will have the authority to review and approve, at least annually, decisions by the Company (on its behalf or on the behalf of any of its subsidiaries) to enter into swaps that may not be subject to the clearing and exchange trading and execution requirements in reliance on the "end-user exception" under the U.S. Commodity Exchange Act, or any other applicable rules and regulations promulgated from time to time.

J. **Other Responsibilities:**

- i) **Earning Press Release.** The Audit Committee shall review and discuss the Company's earnings press releases as well as the types of financial information provided to analysts. The Committee shall also discuss the results of the independent auditors' review of the Company's quarterly financial information.
- ii) **Declaration of Dividends.** The Audit Committee shall review the Company's policy and procedures with respect to declaring dividends and issuing dividend announcements and related press releases, as well as financial information and dividend guidance provided to analysts and rating agencies.
- iii) **Investigations.** The Audit Committee shall investigate any other matter brought to its attention and have the authority in its discretion to retain legal, accounting, or other experts or consultants to advise the Audit Committee, at the expense of the Company, if, in the Committee's judgment, that is appropriate.
- iv) **Process Improvements.** To the extent appropriate, review with the independent auditors and Company management significant changes or improvements in accounting and auditing processes that have been implemented.
- v) **Annual Evaluation.** Review, annually, the performance of the Audit Committee.
- vi) **Minutes.** Maintain minutes of committee meetings, report its significant activities to the Board, and make such recommendations to the Board as the Audit Committee may deem necessary or appropriate.
- vii) **Other.** Perform any other activities consistent with this Charter, the Company's Articles of Incorporation, Bylaws and governing law, as the Audit Committee or the Board deems necessary or appropriate.

IV. **FUNDING**

The Audit Committee shall receive appropriate funding, as determined by the

Audit Committee, for payment of (i) compensation to the independent auditors for approved audit or non-audit services for the Company; (ii) compensation to any legal, accounting or other experts or consultants retained by the Audit Committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

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Amended effective January 14, 2008
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Amended effective May 7, 2012
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