

**KAYNE ANDERSON ENERGY DEVELOPMENT COMPANY
KAYNE ANDERSON MIDSTREAM/ENERGY FUND, INC.**

JOINT AUDIT COMMITTEE CHARTER¹

Adopted September 29, 2016

Each of the respective Boards of Directors (the “Board”) of Kayne Anderson Energy Development Company and Kayne Anderson Midstream/Energy Fund, Inc. (each, a “Company,” and referred to respectively herein as “the Company”) has established an Audit Committee (the “Audit Committee”). The Audit Committee shall be governed by this Joint Audit Committee Charter.

I. Statement of Purpose and Function

The function of the Audit Committee is oversight; it is management’s responsibility to maintain appropriate systems for accounting and internal controls, and the Auditor’s responsibility to plan and carry out the audit in accordance with auditing standards generally accepted in the United States. The Auditor is ultimately responsible to the Board and the Audit Committee.

The purposes of the Audit Committee are to:

- assist the Board in its oversight of (1) the integrity, quality and objectivity of the Company’s financial statements and the independent audit thereof, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent auditor’s qualifications and independence, (4) the performance of the Company’s internal audit function and the Company’s independent auditor (the “Auditor”), and (5) the Company’s accounting and financial reporting policies and practices by reviewing disclosures made to the Audit Committee by the Company’s certifying officers and the Auditor about any significant deficiency in, or material change in the operation of, the Company’s internal controls or material weaknesses therein, and any fraud involving KA Fund Advisors, LLC (the “Advisor”) or any employees or other persons who have a significant role in the Company’s internal controls;
- prepare an audit committee report as required by the Securities and Exchange Commission to be included in the Company’s annual proxy statement;

¹ Replaced each Company’s separate Audit Committee Charter, adopted as follows, and as amended through September 26, 2013:

- Kayne Anderson Energy Development Company, adopted September 5, 2006
- Kayne Anderson Midstream/Energy Fund, Inc., adopted October 18, 2010

- select, oversee and approve the compensation of the Auditor and to act as liaison between the Auditor and the Board; and
- conduct an annual performance evaluation of the Audit Committee.

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain special counsel and other experts or consultants at the expense of the Company.

Nothing in this Charter shall be construed to reduce the responsibilities or liabilities of the Company's service providers, including the Auditor.

II. Committee Composition

The Audit Committee shall be comprised of at least three directors, all of whom shall be independent directors (*i.e.*, directors who are not "interested persons" of the Company as defined in the Investment Company Act of 1940, as amended, and who are free of any other relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as Audit Committee members). Each member shall be appointed by the Board, and a majority of the independent directors of the Board also shall approve each appointment.

The Board shall designate one member as Audit Committee Chairman.

Members of the Audit Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment, or shall become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. In addition, at least one member of the Audit Committee shall have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment.

The Audit Committee shall consider whether one or more members of the Audit Committee is an "Audit Committee financial expert,"² as such term is defined by the Securities and Exchange Commission, and whether any such expert is "independent."³ The Audit Committee shall report the results of its deliberations to the Board for further action as appropriate, including, but not limited to, a determination by the Board that the Audit Committee membership includes or does not include one or more "Audit Committee financial experts" and any related disclosure to be made concerning this matter.

² Notwithstanding any such identification, each member of the Audit Committee is expected to contribute significantly to the work of the Committee. Moreover, identification as an "audit committee financial expert" will not increase the duties, obligations or liability of the identified person as compared to the duties, obligations and liability imposed on that person as a member of the Audit Committee and of the Board.

³ For purposes of this finding of independence only, in order to be considered "independent," any such expert must not only be independent for purposes of the Investment Company Act but also must satisfy the additional requirement that he or she may not, other than in his or her capacity as a member of the Audit Committee, the Board, or any other Board committee, accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company.

III. Duties and Responsibilities

The Audit Committee shall meet with the finance and other personnel of the Company and the Advisor as necessary and appropriate to fulfill the Committee's oversight role. The Audit Committee shall have unrestricted access to the Auditor and the Company's administrator.

To carry out its purposes, the Audit Committee shall have the following duties and powers (such listing is not intended to limit the authority of the Audit Committee in achieving its purposes):

1. Selection of Auditor and Approval of Fees.
 - (a) The Audit Committee shall pre-approve the selection of the Auditor and shall recommend the selection, retention or termination of the Auditor to the Board and, in connection therewith, shall evaluate the independence of the Auditor, including an evaluation of the extent to which the Auditor provides any consulting, auditing or non-audit services to the Advisor or its affiliates. The Audit Committee shall review the Auditor's specific representations as to its independence.
 - (b) The Audit Committee shall review and approve the fees charged by the Auditor for audit and non-audit services to be provided to the Company in accordance with the pre-approval requirements set forth below. The Company shall provide for appropriate funding, as determined by the Audit Committee, to compensate the Auditor for any authorized service provided to the Company.
2. Meetings with Auditor. The Audit Committee shall meet with the Auditor prior to the commencement of substantial work on the audit and following the conclusion of the audit, as well as such other times as the Committee shall deem necessary or appropriate. The Chairman of the Audit Committee shall meet with the Auditor informally as needed. The Audit Committee shall ensure that the Auditor reports directly to the Audit Committee.
3. Reports by Auditor. The Audit Committee shall request the Auditor to report at least annually concerning, and shall engage the Auditor in discussions regarding, the following and other pertinent matters:
 - (a) the arrangements for and scope of the annual audit and any special audits;
 - (b) all critical accounting policies and practices to be used;
 - (c) any matters of concern relating to the Company's annual audited financial statements and quarterly financial statements, including: (i) any adjustments to such statements recommended by the Auditor, or other results of said audit(s), and (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the

ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor;

- (d) any audit problems or difficulties and management's response;
- (e) any material written communication between the Auditor and management such as any management letter or schedule of unadjusted differences;
- (f) all non-audit services provided to any entity in the "Investment Company Complex"⁴ that were not pre-approved by the Audit Committee;
- (g) the amount of all fees received by the Auditor for providing services of any type to the Advisor and any affiliate controlled by the Advisor, and confirmation that the Auditor has not provided any prohibited non-audit services;
- (h) the Auditor's comments with respect to the Company's financial policies, procedures and internal accounting controls and responses thereto by the Company's officers, the Advisor and administrator, as well as other personnel;
- (i) confirmation of the form of written opinion the Auditor proposes to render to the Board and stockholders of the Company, and discussion or reporting on the general nature of the disclosures to be made in Form N-CSR;
- (j) the adequacy and effectiveness of relevant accounting internal controls and procedures and the quality of the staff implementing those controls and procedures;
- (k) periodic reports concerning relevant regulatory changes and new accounting pronouncements that significantly affect the value of the Company's assets and its financial reporting;
- (l) disclosures to the Auditor's and the Audit Committee by the Company's chief executive or chief financial officer of (i) any material weaknesses in internal controls, (ii) any significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize, and report financial data and, (iii) any fraud, whether or not material, that involves management of other employees who have a significant role in the Company's internal controls, and (iv) any other matters that could jeopardize the Company's ability to file its financial statements with the Securities and Exchange Commission or the certifying officers' ability to certify the Company's N-CSR;

⁴ "Investment Company Complex" means the Company, the Advisor and any entity controlled by, controlling or under common control with the Advisor if such entity is an investment adviser or is engaged in the business of providing administrative, custodian, underwriting or transfer agent services to the Company or the Advisor.

- (m) confirmation that the Auditor is in compliance with the audit partner rotation requirements applicable to the engagement with the Company;
- (n) the Auditor's internal quality-control procedures, including any material issues raised by the most recent internal quality-control review, or peer review, of the Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Auditor, and any steps taken to deal with any such issues;
- (o) all relationships between the Auditor and the Company, and between the Auditor and the Advisor (to assess the Auditor's independence);
- (p) any other matters related to the conduct of the audit that are to be communicated to the Audit Committee under generally accepted auditing standards, including, but not limited to, the matters required to be discussed by relevant Statements on Auditing Standards, Public Company Accounting Oversight Board auditing standards, and rules promulgated by the Securities and Exchange Commission; and
- (q) the opportunity to report on any other matter that the Auditor deems necessary or appropriate to discuss with the Audit Committee.

In order to ensure that the Audit Committee has had an opportunity to review the Auditor's report and other required communications relating to the annual audit of the Company's financial statements prior to the date the audited financial statements are filed with the Securities and Exchange Commission and released to the public (*i.e.*, within 60 days following the end of the Company's fiscal year), the Audit Committee shall either meet with the Auditor or, in lieu of a meeting, require the Auditor to deliver a written report to the Audit Committee concerning these matters prior to the date the audited financial statements are filed with the Securities and Exchange Commission and released to the public.

4. *Meetings with Management and the Advisor.* The Audit Committee shall periodically meet with representatives of management and the Advisor to discuss such items as it deems appropriate, including but not limited to the Company's annual audited financial statements, including the Company's disclosures under "Management's Discussion of Fund Performance." The Audit Committee may also request to meet with internal legal counsel and compliance counsel of the Advisor and with entities that provide significant accounting or administrative services to the Company.
5. *Discussion of Other Important Items.* The Audit Committee shall meet to discuss and give due consideration to the following items:
 - (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and their effect on the Company, and

major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;

- (b) analyses prepared by management and/or the Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
- (c) the effect of regulatory and accounting initiatives on the financial statements of the Company;
- (d) earnings press releases, and financial information and earnings guidance provided to analysts and rating agencies (such discussion may be done generally, i.e., discussion of the types of information to be disclosed and the type of presentation to be made), and the Audit Committee is not required to discuss in advance each earnings release or each instance in which the Company may provide earnings guidance;
- (e) policies with respect to risk assessment and risk management; and
- (f) hiring policies with respect to employees or former employees of the Auditor.

6. *Evaluation of Audit Related Services and Permissible Non-Audit Services.*

- (a) The Audit Committee shall evaluate all audit related services performed or to be performed by the Auditor for the Company. The Audit Committee shall regularly review with the Auditor any difficulties the Auditor encountered in the course of the audit work, including any restrictions on the scope of the Auditor's activities or on access to requested information, and any significant disagreements with management. Among the items the Audit Committee may want to review with the Auditor are: any accounting adjustments that were noted or proposed by the Auditor but were "passed" (as immaterial or otherwise); any communications between the audit team and the Auditor's national office respecting auditing or accounting issues presented by the engagement; and any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor to the Company. The review should also include discussion of the responsibilities, budget and staffing of the Company's internal audit function.
- (b) The Audit Committee shall also evaluate all permissible non-audit services performed or to be performed by the Auditor for the Company or (i) the Advisor and (ii) any entity controlling, controlled by, or under common control with the Advisor that provides ongoing services to the Company, if the nature of the services provided relate directly to the operations or financial reporting of the Company, to ensure that such services do not impair the independence of the Auditor. Audit related services are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the

independent auditor that do not impair the independence of the Auditor. Permissible non-audit services include tax compliance, tax planning, tax advice and other routine and recurring services that do not impair the independence of the Auditor.

7. Pre-Approval of Auditor Services.

- (a) *Pre-Approval Requirements for Services to Company.* Before the Auditor is engaged by the Company to render audit related or permissible non-audit services, either:
 - (i) The Audit Committee shall pre-approve such engagement; or
 - (ii) Such engagement shall be entered into pursuant to the Pre-Approval Policies and Procedures, attached hereto as Appendix A, established by the Audit Committee.
- (b) *De Minimis Exceptions to Pre-Approval Requirements.* Pre-approval for a service provided to the Company other than audit, review or attest services is not required if: (1) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5 percent of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided; (2) such services were not recognized by the Company at the time of the engagement to be non-audit services; and (3) such services are promptly brought to the attention of the Audit Committee and are approved by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.
- (c) *Pre-Approval of Non-Audit Services Provided to the Advisor and Others.* The Audit Committee shall pre-approve any non-audit services proposed to be provided by the Auditor to (i) the Advisor and (ii) any entity in the investment company complex (see note 4), if the nature of the services provided relate directly to the operations or financial reporting of the Company. Such engagement shall be entered into pursuant to the pre-approval requirements set forth above under Section 7(a).

Application of De Minimis Exception: The De Minimis exceptions set forth above under Section 7(b) apply to pre-approvals under this Section (c) as well, except that the “total amount of revenues” calculation for Section 7(c) services is based on the total amount of revenues paid to the Auditor by the Company and any other entity that has its services approved under this Section 7(c) (*i.e.*, the Advisor or any control person).

- (d) *Compliance with Pre-approval Procedures.* The Audit Committee shall consider whether any non-audit services provided by the Auditor to any entity in the investment company complex, which services were not pre-approved by

the Audit Committee, are compatible with maintaining the Auditor's independence.

8. *Prohibited Activities of the Auditor.* The Audit Committee shall confirm with the Auditor that the Auditor who is performing the audit for the Company is not performing contemporaneously (during the audit and professional engagement period) any impermissible non-audit services for the Company, the Advisor or any other entity in the investment company complex (see Section III.3(f)). The Auditor will be responsible for informing the Audit Committee of whether it believes that a particular non-audit service is permissible or prohibited pursuant to applicable regulations and standards.
9. *Establishment of Procedures Regarding Concerns or Complaints.* The Audit Committee shall establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company, the Advisor, the administrator, the lead underwriters, or any other provider of accounting related services for the Company, of concerns regarding questionable accounting or auditing matters.
10. *Reporting.* The Audit Committee Chairman shall report to the Board the recommendations and determinations of the Audit Committee, as well as the results of any Audit Committee reviews.⁵
11. *Minutes.* The Audit Committee shall prepare minutes of all meetings of the Committee.

IV. Amendment.

The Audit Committee shall review this Charter on an annual basis and recommend any changes to the Board. This Charter may be amended by a vote of a majority of the Board.

⁵ This report shall include any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Auditor, or the performance of the Company's internal compliance function.

Appendix A

Pre-Approval Policies and Procedures

(as adopted by the Audit Committee on September 25, 2013)

The Audit Committee has established these Pre-Approval Policies and Procedures (these “Procedures”) in granting pre-approvals of audit related or permissible non-audit services to be rendered by the Auditor to the Company.

From time to time, the Audit Committee may delegate to one or more of its members (the “Delegate”), by resolution of the Audit Committee, the authority to pre-approve audit related or permissible non-audit services to be rendered by the Auditor to the Company, provided that the following conditions are satisfied:

1. Before a pre-approval may be granted pursuant to these Procedures, the Delegate shall have received and reviewed a detailed description of the audit related or permissible non-audit services for which pre-approval is sought and of the proposed fees for such services.
2. In making the determination whether to grant a pre-approval pursuant to these Procedures, the Delegate shall make an independent determination without delegating any responsibility to the Advisor.
3. The Delegate shall not have the authority to grant any pre-approval pursuant to these Procedures if the proposed fees for the audit related or permissible non-audit services for which pre-approval is sought exceed the total audit fees paid by the Company to the Auditor for the prior fiscal year.
4. Any pre-approval decisions made by the Delegate pursuant to these Procedures shall be presented to and ratified by the full Audit Committee at its next scheduled meeting.

These Procedures shall be reviewed by the Audit Committee on an annual basis and may be amended by a vote of a majority of the Board.