

**Kayne Anderson Energy Development Company
(the “Company”)**

Corporate Governance Policy

A. Board of Directors’ Responsibilities

The Board of Directors of the Company (the “Board”) represents the interests of stockholders of the Company in perpetuating a successful business and optimizing long-term financial returns consistent with legal requirements and ethical standards. The Board is responsible for general oversight of the Company, including identifying and taking reasonable actions so that the Company is managed in a way designed to achieve this result. Consistent with the importance of the Board’s responsibilities, each director of the Company (a “Director”) is expected to be familiar with the Company’s business and public disclosures, to review in advance of Board meetings related materials distributed to the Board and to attend and participate in meetings of the Board and meetings of committees of which such director is a member.

The Board, with assistance from the Nominating, Corporate Governance and Compensation Committee, has the responsibility to select Directors, to evaluate the performance of the Chief Executive Officer, to oversee the selection and evaluation of the performance of other executive officers, and to monitor the effectiveness and execution of management strategies in optimizing the Company’s investment objective.

B. Composition of the Board

1. Size of the Board

Consistent with the Company’s bylaws, the Board will consist of not less than the minimum number required by the Maryland General Corporation Law nor more than fifteen (15) members.

2. Board Membership Criteria

The Nominating, Corporate Governance and Compensation Committee is responsible for recommending criteria for Board membership to supplement the more general criteria set forth in its charter and in this policy regarding such matters as integrity, independence, and diligence. The Nominating, Corporate Governance and Compensation Committee is responsible for evaluating Directors and director candidates, and for seeking to assure that talents, skills and other characteristics that are needed for the Board’s effectiveness are possessed by the combination of directors. Additionally, each Director or director candidate should have the capacity and desire to represent the balanced, best interests of the stockholders as a whole and not a special interest group or constituency.

3. Proportion and Determination of Independent Directors

The composition of the Board shall comply with applicable requirements of the Investment Company Act of 1940, as amended (the “1940 Act”), and will at a minimum, be comprised of a majority of Independent Directors. This will not, however, prevent the Board from taking valid actions if, due to a temporary vacancy or vacancies on the

Board, there are fewer than the intended proportion of Independent Directors. Any such vacancies should be filled as soon as reasonably practicable consistent with the 1940 Act.

A Director of the Company shall be considered to be an “Independent Director” if, in accordance with the New York Stock Exchange listing standards, the Director is not an “interested person” of the Company, as defined in Section 2(a)(19) of the 1940 Act.

4. Selection of Directors

The Board is responsible for selecting candidates for the Board and recommending them for election by stockholders of the Company. The Board has delegated the initial evaluation and recommendation of potential directors to the Nominating, Corporate Governance and Compensation Committee with input from various sources as appropriate.

The Board is responsible for determining the qualification of one or more individuals to serve on the Audit Committee as a designated “audit committee financial expert,” as required by Item 401(h) of Regulation S-K. The Nominating, Corporate Governance and Compensation Committee shall report to the Board in recommending new candidates or existing directors who may serve in this capacity.

C. Board Compensation and Performance

1. Board Compensation Review

The Nominating, Corporate Governance and Compensation Committee reviews annually, the overall compensation principles of the Company governing the compensation and benefits of the independent directors. Only directors who are not compensated employees of KA Fund Advisors, LLC are entitled to receive compensation from the Company. The initial compensation and benefits of the independent directors is established by the full board. Changes in Board compensation should be recommended by the Nominating, Corporate Governance and Compensation Committee, with the approval of the Board.

2. Assessing the Performance of the Board

The Board will perform an annual self-assessment.

D. Board Relationship to Senior Management

Board Access to Senior Management and Attendance by Management

The Board and each Board committee will have complete access to the Company’s management.

Members of management may attend meetings of the Board at the invitation of the Chairman or Board Committee meetings at the invitation of the Committee Chairman.

E. Miscellaneous

1. Director Orientation and Continuing Education

The Nominating, Corporate Governance and Compensation Committee is authorized to recommend ongoing education for incumbent Independent Directors and appropriate orientation for new Directors.

2. Disclosure of this Policy

This policy and the committee charters will be posted on the Company's website and also will be available in print to stockholders requesting them. Such availability on the Company's website and in print will be noted in the Company's annual report to stockholders and/or the annual proxy statement.