

KAYNE ANDERSON MIDSTREAM/ENERGY FUND, INC.

VALUATION COMMITTEE CHARTER

(Adopted October 18, 2010)

**I.
PURPOSE**

The Valuation Committee is a committee of the Board of Directors (the “Board”) of Kayne Anderson Midstream/Energy Fund, Inc. (the “Company”) established to oversee the implementation of the Company’s Valuation Procedures attached hereto as Exhibit A (the “Procedures”). The Board has delegated to the Valuation Committee the responsibility of determining the fair value of the Company’s investment portfolio or other assets in compliance with the requirements of the Investment Company Act of 1940, as amended (the “1940 Act”). The Valuation Committee shall have unrestricted access to the Board, the independent auditors, the Company’s counsel, and the executive and financial management of the Company. The Valuation Committee may meet with such persons as needed in order to carry out its valuation duties.

**II.
COMPOSITION**

The Valuation Committee shall be composed of at least three members (each a “Member”), each of whom shall be a Director of the Company. The Board may amend the committee’s membership at any time.

**III.
MEETINGS**

The Valuation Committee shall meet not less frequently than quarterly to determine the fair value of the Company’s investment portfolio or other assets as necessary and in accordance with the Procedures. The Valuation Committee shall meet on or about the end of each month to consider new valuations presented by KA Fund Advisors, LLC (the “Advisor”), if any, which were made in accordance with Paragraphs 8 or 9 of the Procedures in such month. Between meetings of the Valuation Committee, a senior officer of the Advisor is authorized to make valuation determinations.

Reasonable notice, as dictated by the circumstances, of a meeting shall be given to all Members. The Valuation Committee may take action by majority vote of the Members present during any meeting at which a quorum of Members are present. The presence of any two members of the Valuation Committee, including at least one member who is not an “interested person” of the Company as defined in the 1940 Act, shall constitute a quorum for purposes of conducting the Valuation Committee’s business.

Valuation Committee meetings may be held in person, by telephone conference, or other interactive electronic communication. Minutes of all meetings of the Valuation Committee shall be submitted to the Board. The Valuation Committee will make available to the Board, upon

request, all information considered in reaching its valuation decisions.

If the Valuation Committee, in consultation with the Advisor, is unable to determine what it believes to be a fair value for any security in accordance with the methodology set forth in the Procedures, the Advisor shall inform the Secretary of the Company and a meeting of the Board shall be called forthwith to determine what action shall be taken to value the security.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Valuation Committee shall:

1. Meet no less frequently than quarterly to determine the fair value of the Company's securities or other assets in compliance with the 1940 Act and take such action as may be required.
2. Report to the Board any actions taken by the Valuation Committee and make such recommendations to the Board as the Valuation Committee deems necessary or appropriate.
3. Investigate any other matter brought to its attention within the scope of its duties.
4. Perform any other activities consistent with and in furtherance of this Charter and the Procedures, as the Valuation Committee or the Board deems necessary or appropriate.
5. No less frequently than each quarter, review any reports provided by a third party valuation firm engaged by the Board to review the valuation methodologies employed for the Company's fair-valued securities.