



**Tallgrass Energy GP, LP**  
**Charter of the Audit Committee**

**Adopted as of August 1, 2017**

## **AUDIT COMMITTEE CHARTER**

### **TEGP Management, LLC**

(As adopted on August 1, 2017)

The Board of Directors (the “Board”) of TEGP Management, LLC (the “General Partner”) and Tallgrass Energy GP, LP (the “Partnership” and, together with the General Partner and their respective affiliates and subsidiaries, the “Company”), has established the Audit Committee of the Board (the “Committee”) with authority, responsibilities, and specific duties as provided in this Charter adopted by the Board as of the date set forth above.

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations, and listing requirements, as well as in the context of the Company’s governing documents, it is not intended to establish by its own force any legally binding obligations. Consequently, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable federal or state law.

#### **I. MEMBERSHIP**

The Committee shall consist of three or more directors that meet the independence requirements of the New York Stock Exchange (the “NYSE”), the Securities Exchange Act of 1934 (the “Exchange Act”), the rules and regulations of the Securities and Exchange Commission (the “SEC”), and the independence requirements established by the Board, subject to the applicable phase-in provisions established by the NYSE and the SEC. All members of the Committee shall have a working familiarity with basic finance and accounting practices and shall be “financially literate” as such qualification is interpreted by the Board in its business judgment. At least one member of the Committee shall be a person who the Board determines is an “audit committee financial expert” as defined by the SEC Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise. Members of the Committee may not simultaneously serve on the audit committees of more than two other public companies unless such service is approved by the Board upon its determination that such simultaneous service will not impair the ability of such member to effectively serve on the Committee. Such determination must be disclosed in any proxy statement or annual report on Form 10-K of the Partnership.

The members of the Committee and its Chairman shall be selected annually by the Board and shall serve at the discretion of the Board. Any vacancy on the Committee shall be filled by, and any member of the Committee may be removed by, an affirmative vote of a majority of the Board. If a Chairman is not selected by the Board, then the Committee may designate a Chairman by majority vote of the members of the Committee then in office, and if a Chairman is not present at a meeting, then the Committee may designate a member of the Committee to serve as Chair pro tempore for the meeting by majority vote of the members of the Committee present at the meeting.

Notwithstanding the foregoing membership requirements, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

## **II. PURPOSES**

The purpose of the Committee is to represent and provide assistance to the Board in fulfilling its legal, regulatory, and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, and internal controls functions of the Company. The Committee is responsible for overseeing (1) the integrity of the Company's financial statements, (2) the independent registered auditor's qualifications, independence, compensation, and selection, (3) the scope of annual audits, (4) the performance of the Company's internal audit and independent audit function, and (5) the Company's accounting practices and controls. In so doing, it is the responsibility of the Committee to maintain free and open communications among the directors, the independent auditor, the financial management of the Company, and the internal auditors (or other persons carrying on the internal audit function.) The Committee policies and procedures shall remain flexible in order to react more effectively to changing conditions and to ensure that the accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on: (1) management for the preparation and accuracy of the Company's financial statements in accordance with generally accepted accounting principles ("GAAP"), (2) both management and the Company's internal audit function for establishing effective internal controls over financial reporting and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures, and applicable laws and regulations, and (3) the Company's independent auditors for an unbiased and diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls over financial reporting. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing any other preparatory work. In discharging its responsibilities, the Committee is responsible for assisting the Board in overseeing the conduct of these activities by management and the independent auditor.

## **III. AUTHORITY AND RESPONSIBILITIES**

The Committee is delegated and shall have all authority, resources, and responsibilities of the Board as may be required or advisable to fulfill the purposes of the Committee. Without limiting the generality of the foregoing, the Committee shall have authority and resources, and is entrusted with responsibilities, as follows:

### **A. Authority and Resources**

The Committee shall have the appropriate authority and resources to discharge its responsibilities as required by applicable regulation and this Charter. The Committee shall have the sole authority to appoint, retain, compensate, evaluate, and terminate the independent legal, accounting, or other advisors to the Committee, as it deems necessary. Additionally, the Committee shall have the sole authority to approve all audit engagement letters, including fees and terms, and all non-audit engagements with the independent auditor or any other registered public accounting firm. The independent auditor shall report directly to the Committee. Any independent auditor selected by the Committee shall be a "registered accounting firm" within the definition contained in Section 2 of the Sarbanes-Oxley Act of 2002, as required by law. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (1) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, (2) compensation to the

independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, and (3) compensation to advisors retained by the Committee. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company.

Unless he or she believes to the contrary (in which case, he or she shall advise the Committee of such belief), each member of the Committee shall be entitled to assume and rely on (1) the integrity of those persons and organizations within and outside the Company from which it receives information and (2) the accuracy of the financial, operational, legal, safety, health and environmental, and other information provided to the Committee by such persons and organizations.

## **B. Responsibilities**

In performing its functions, the Committee shall undertake those tasks and responsibilities that, in its judgment, would contribute most effectively to and implement the purposes of the Committee. In addition to the general tasks and responsibilities noted above, the following are the specific duties of the Committee:

### Independent Auditor

The Committee shall be directly responsible for the appointment, compensation, retention, termination, and oversight of the work of any registered public accounting firm (including resolution of disagreements between management and the independent auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company. Management may participate in any such matters to the extent permitted or provided for by the Committee. The independent auditor shall report directly to the Committee. The Committee's responsibilities with respect to the independent auditor include the following:

1. At least annually, (i) obtain from the independent auditor a formal written statement delineating all relationships among the auditor, the Company, and the management of the Company, (ii) review and discuss with the independent auditor any disclosed relationships or services that may impact the objectivity and independence of the independent auditor, and, (iii) if necessary, make recommendations to the Board regarding any actions to be taken to ensure the independence of the independent auditor.
2. At least annually, obtain and review a report from the independent auditor regarding: (i) the independent accounting firm's internal quality-control procedures and (ii) any material issues raised by the most recent internal quality control review, peer review, or Public Company Accounting Oversight Board ("PCAOB") review or inspection of the firm, or by any other inquiry or investigation by governmental or professional authorities within the preceding five years regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
3. Review and evaluate the qualifications, performance, and independence of the independent auditors, including an evaluation of the lead audit partner, on an annual basis.

4. Ensure the regular rotation of the lead audit partner as required by law and periodically consider whether a policy regarding the periodic rotation of independent accounting firms is necessary.
5. Set hiring policies for the hiring by the Company of employees or former employees of the independent auditor in accordance with the rules of the SEC and NYSE.
6. Pre-approve all audit and permitted non-audit and tax services (including the fees and terms thereof) to be performed for the Company by the independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act, or another registered public accounting firm, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms on an on-going basis.
7. At least annually, obtain a formal written statement from the independent accounting firm detailing the fees billed in each of the last two fiscal years for each of the following services rendered: (i) audit of the Partnership's financial statements in the Annual Report on Form 10-K (the "Annual Report") and reviews of the Partnership's Quarterly Report on Form 10-Q (the "Quarterly Report") or other services that are normally provided by the independent auditor in connection with statutory and regulatory filings, (ii) assurance and related services not included in clause (i) that are reasonably related to the performance of the audit or review of the Partnership's financial statements, (iii) tax compliance, tax advice and tax planning services, and (iv) all other products or services rendered by the independent accounting firm.

### Financial Reporting

In carrying out its responsibilities to oversee the Partnership's financial reporting, the Committee shall:

1. Meet with the independent auditor and financial management of the Company to review (i) the scope, planning, and staffing of each audit, (ii) the audit procedures to be utilized, (iii) the auditor's responsibilities under generally accepted audit standards ("GAAS") and management's responsibilities in the audit process, and (iv) any significant risks identified during the auditors' risk assessment process.
2. Discuss with the independent auditor the matters required to be discussed by PCAOB standards and the rules and regulations of the SEC relating to the conduct of the audit, including, without limitation, difficulties encountered in the course of the audit work, restrictions on the scope of activities or access to requested information, significant disagreements with management, response by management to these problems, difficulties, or disagreements, and the independent auditors' evaluation of the quality of the Partnership's financial reporting and its ability to continue as a going concern.
3. Obtain, review, and discuss reports from the independent auditor, prior to the filing of audited financial statements with the SEC, regarding (i) all critical accounting policies and practices to be used that are identified as critical, (ii) all alternative treatments of financial information within GAAP for policies and practices related to

material items that have been discussed between management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor, and (iii) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

4. Review and discuss with management and the independent auditor (i) significant financial reporting issues and judgments made in connection with the preparation of the Partnership's financial statements, including the effects of alternative GAAP methods on the financial statements, (ii) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, (iii) material issues on which the audit team consulted the independent auditor's national office (that are otherwise required to be disclosed to the Audit Committee), (iv) accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise), (v) any management or internal control letter issued, or proposed to be issued, by the independent auditor to the Company, and (vi) the effect of regulatory and accounting initiatives and off balance-sheet structures on the Partnership's financial statements.
5. Obtain assurance from the independent auditor that, in the course of conducting the audit, no illegal acts were detected or otherwise came to the independent auditor's attention that require disclosure to the Committee under Section 10A(b) of the Exchange Act.
6. Review and discuss with management, the internal audit department, and the independent auditor (i) the adequacy and effectiveness of the Company's internal controls over financial reporting, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls over financial reporting, (ii) any special audit steps adopted in light of material control deficiencies, (iii) any fraud involving management or other employees with a significant role in such internal controls over financial reporting, (iv) the adequacy of disclosures about internal controls over financial reporting and changes in internal controls over financial reporting, and (v) management's annual internal control report prior to the filing of the Partnership's Annual Report.
7. Review and discuss with management and the independent auditor the independent auditors' report on the effectiveness of the Partnership's internal control over financial reporting and the required management certifications to be included or attached as exhibits to the Annual Report or Quarterly Report, as applicable.
8. Review and discuss with management and the independent auditor the annual audited financial statements, a draft of its Annual Report, including the Partnership's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the form of audit opinion to be issued prior to the filing of the Annual Report. The Committee shall recommend to the Board whether the audited financial statements should be included in the Annual Report.

9. Review and discuss with management and the independent auditor the Partnership's quarterly financial statements and a draft of its Quarterly Report, including the Partnership's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of the Quarterly Report, including the results of the independent auditor's reviews of such quarterly financial statements.
10. Review disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for the Annual Report and the Quarterly Report regarding any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Partnership's ability to record, process, summarize, and report financial information and any fraud involving management or other employees who have a significant role in the Partnership's internal controls over financial reporting.
11. Review and discuss with management and the independent auditors the Partnership's earnings press releases, including the use of pro forma information or non-GAAP financial measures, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally, consisting of discussing the types of information to be disclosed and the types of presentations to be made.
12. Review and discuss with management and the internal audit function (i) the Partnership's major financial risk exposures and the steps that management has taken to monitor and control those exposures and (ii) the guidelines and policies to govern the process by which risk assessment and risk management is undertaken.
13. Review and discuss with the Company's independent auditors any other matters required to be discussed by PCAOB AS No. 1301 Communications with Audit Committees, including, without limitation, the auditors' evaluation of the quality of the Company's financial reporting, information relating to significant unusual transactions and the business rationale for such transactions and the auditors' evaluation of the Company's ability to continue as a going concern.
14. Report regularly and review with the Board any issues that arise with respect to the quality or the integrity of the Partnership's financial statements, the Partnership's compliance with legal or regulatory requirements, the performance and independence of the Partnership's independent auditor, the performance of the Partnership's internal audit function, or any other matter the Committee determines is necessary or advisable to report to and/or review with the Board.

### Internal Audit

In overseeing the performance of the Company's internal audit function, the Committee shall:

1. Review and approve the functions of the Company's internal audit department, including its purpose, organization, responsibilities, budget, and performance.

2. Review the scope, performance, and results of internal audit plans, including significant reports to management prepared by the internal auditor and related management responses.
3. Review and approve the appointment or replacement of the senior internal auditor.
4. Periodically discuss with management and the independent auditor the responsibilities, budget, staffing, and scope of the internal audit function.

#### Legal, Regulatory and Other Compliance Matters

The Committee shall have responsibility for taking the following actions in connection with its oversight of legal, regulatory, and other compliance matters affecting the Company:

1. At least annually, review the Committee membership to ensure that all its members are financially literate and at least one member has accounting or related financial management expertise and is an audit committee financial expert as defined by Item 407(d)(5)(ii) of Regulation S-K.
2. Discuss with the Company's general counsel any legal, compliance, or regulatory issues that could have a material effect on the Partnership's financial statements or compliance policies.
3. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding any questionable accounting, internal control or auditing matters.
4. Investigate material matters brought to the Committee's attention within the scope of its duties.
5. Implement and oversee the Company's Related Party Transaction Policy regarding any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations.
6. Review with management and the independent auditor any published reports and correspondence with regulators or governmental agencies which raise material issues regarding the Partnership's financial statements or SEC reporting.
7. Review with management any outside firms providing tax advice regarding the Company's tax compliance.

#### **IV. PROCEDURES**

##### **A. Meetings**

The Committee shall meet at the call of its Chairman, two or more members of the Committee or the Chief Executive Officer. The Committee shall meet as frequently as circumstances dictate. The Chairman of the Committee shall be responsible for establishing the agenda for each



meeting of the Committee. Where practicable, an agenda shall be sent to members of the Committee prior to each meeting. Meetings of the Committee may be held in person and/or by conference call, in accordance with the General Partner's Limited Liability Company Agreement (as may from time to time be amended, the "LLC Agreement"). Meetings of the Committee shall be held at such time and place, and upon such notice, as its Chairman may from time to time determine. Subject to requirements set forth elsewhere in this Charter, the Committee shall keep such records of its meetings as it deems appropriate.

Meetings may, at the discretion of the Committee, include members of the Company's management, independent advisors and consultants, or any other persons whose presence the Committee believes to be necessary or appropriate.

The Committee shall meet separately, at least annually, with management, with the head of internal audit, and the independent auditor to discuss any matters that the Committee or any of the foregoing believes should be discussed privately. The Committee may request any officer or employee of the Company or the outside counsel for the Company or the Partnership to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. If determined by the Committee to be appropriate under the circumstances then existing, the Committee or its designated representative may meet or talk with other outside parties as it deems necessary.

#### **B. Quorum and Actions**

A majority of the Committee's members present in person and/or by conference call shall constitute a quorum for the transaction of business at a meeting of the Committee. The Committee shall act on the affirmative vote of a majority of members present in person and/or by conference call at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting, in accordance with the LLC Agreement.

#### **C. Rules**

The Committee may determine additional rules and procedures, including the rules and procedures for designation of a Chair pro tempore in the absence of its Chairman and designation of a Secretary at or for any meeting thereof.

#### **D. Reports**

The Committee shall maintain minutes of its meetings and make regular oral or written reports to the Board, directly or through the Chief Executive Officer, of its actions and any recommendations to the Board.

#### **E. Review of Charter**

Each year and otherwise from time to time when the Committee deems it appropriate, the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.

**F. Performance Review**

Each year, the Committee shall review and evaluate its own performance and shall submit itself to a review and evaluation by the Board.

**G. Fees; Reimbursement of Expenses**

Each member of the Committee including the Chairman shall be paid the fee(s) set by the Board for his or her services as a member or Chairman, as the case may be, of the Committee. Subject to the Company's policies, members of the Committee, including the Chairman, shall be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as members of the Committee including as Chairman.

**V. POSTING REQUIREMENT**

The Company shall post this Charter on the Partnership's website as required by applicable rules and regulations. In addition, the Partnership shall disclose in its Annual Report that a copy of this Charter is available on the Partnership's website.

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