

**TARGA RESOURCES CORP.**  
**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS**  
**(Revised as of April 30, 2019)**

**I. Purposes**

The Audit Committee (the "Committee") is established by the Board of Directors (the "Board") of Targa Resources Corp. for the primary purpose of assisting the Board in overseeing:

- (i) the integrity of the financial statements of Targa Resources Corp. and its subsidiaries (collectively, the "Company");
- (ii) the Company's compliance with legal and regulatory requirements;
- (iii) the qualifications and independence of the Company's independent auditor firm (the "Independent Auditor");
- (iv) the performance of the Company's internal audit function and Independent Auditor;  
and
- (v) the Company's system of disclosure controls and system of internal controls regarding ethics and financial, accounting, and legal compliance that management and the Board have established.

The Committee will perform such other functions as the Board may assign to the Committee from time to time. The Committee will have direct access to the Independent Auditor as well as anyone in the organization deemed necessary or appropriate by the Committee in fulfilling its duties under this Charter. The Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary or appropriate in the performance of its duties and responsibilities. The Company will provide appropriate funding, as determined by the Committee, for 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 any advisers that the Committee chooses to engage and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Management is responsible for the Company's financial reporting process, including its system of internal controls, and for the preparation of the Company's consolidated financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States. The Independent Auditor is responsible for auditing those financial statements. The Committee's responsibility is one of oversight. The Committee has no duty or responsibility to conduct auditing review or procedures or to determine, confirm, or certify that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the Independent Auditor. Accordingly, the oversight role of the Committee does not provide any expert or special assurance

as to the financial statements and other financial information provided by the Company to its stockholders and others.

The Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this Charter. The Committee will report regularly to the Board regarding the execution of its duties and responsibilities.

## **II. Composition and Meetings**

The Committee shall consist of three or more directors as determined by the Board, each of whom shall meet the independence and experience requirements of the New York Stock Exchange, the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations of the Securities and Exchange Commission (the "SEC"), in each case subject to any exemptions and exceptions thereunder. All members of the Committee must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. At least one member of the Committee will be an "audit committee financial expert" as defined by the SEC and other relevant regulations. The existence of such member, including his name and whether or not he is independent, shall be disclosed in periodic filings as required by the SEC. Committee members shall 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 would not impair the ability of such member to effectively serve on the Committee. 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.

Committee members shall be elected or appointed by the Board, to serve as such until their successors shall be duly elected and qualified. 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 Committee Chairman is not elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually, or more frequently as determined by the Committee as circumstances dictate. The Committee will meet periodically in executive session among its members. The Committee may also meet periodically with management, internal audit, and the Independent Auditor in separate executive sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately. In addition, the Committee should meet with the Independent Auditor and management to discuss the annual audited financial statements and quarterly financial statements.

The Committee shall have the authority to delegate to its Chair, any one of its members, or any subcommittee it may form, the responsibility and authority for any particular matter, as it deems appropriate from time to time under the circumstances. However, subcommittees shall not have

the authority to engage independent legal counsel, accounting experts, or other advisers unless expressly granted such authority by the Committee. Each subcommittee shall keep minutes and regularly report to the Committee.

### **III. Responsibilities and Duties**

The following functions are expected to be the common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate under any particular set of circumstances.

#### *Independent Auditor*

The Committee, to the extent it deems necessary or appropriate, will:

1. Appoint, compensate, retain, and oversee the work performed by the Independent Auditor for the purpose of preparing or issuing an audit report or preparing other audit, review, or attest services for the Company.
2. Review the performance of the Independent Auditor and remove the Independent Auditor if circumstances warrant. The Independent Auditor shall report directly to the Committee and the Committee shall oversee the resolution of disagreements between management and the Independent Auditor regarding financial reporting in the event that they arise.
3. Approve the fees and other significant compensation to be paid to the Independent Auditor.
4. Consider whether the Independent Auditor's performance of permissible non-audit services is compatible with the Independent Auditor's independence.
5. Review and approve prior to performance both audit and non-audit services to be provided by the Independent Auditor (other than with respect to de minimus exceptions permitted by the rules and regulations of the SEC and the Public Company Accounting Oversight Board and the Sarbanes-Oxley Act of 2002). This pre-approval authority may be delegated to one or more designated members of the Committee, and the pre-approval of any non-audit services will be reported to the Committee at its next regularly scheduled meeting.
6. Review the Independent Auditor's audit plan and discuss with the Independent Auditor, the scope, staffing, locations, reliance upon management, and internal audit and general audit approach to be used in connection with its audit services and activities.

7. Review with the Independent Auditor any problems or difficulties encountered by the Independent Auditor in the course of performing its services with respect to the Company and management's response to such problems or difficulties, including any restrictions on the scope of the Independent Auditor's activities or on access to requested information and any significant disagreements with management. Among the items that the Committee should consider reviewing with the Independent Auditor are:
  - i. any accounting adjustments that were noted or proposed by the Independent Auditor but were "passed" (as immaterial or otherwise);
  - ii. any communications between the audit team and the Independent Auditor's national office respecting auditing or accounting issues presented by the engagement; and
  - iii. any "management" or "internal control" letter issued, or proposed to be issued, by the Independent Auditor to the Company. The Committee shall obtain from the Independent Auditor assurances that Section 10A(b) of the Exchange Act (detection and reporting of an illegal act) has not been implicated.
8. Review the Independent Auditor's attestation and report on management's assessment of internal control over financial reporting and hold timely discussions with the Independent Auditor regarding:
  - i. all critical accounting policies and practices;
  - ii. all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor;
  - iii. other material written communications between the Independent Auditor and management including, but not limited to, any management letter and schedule of unadjusted differences; and
  - iv. the Independent Auditor's analysis and judgment as to the quality of the Company's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements.
9. At least annually, ensure receipt of and review the Independent Auditor's formal written statement delineating all relationships between the Independent Auditor and the Company, consistent with Independence Standards Board Standard 1; review and evaluate the independence and performance of the Independent Auditor and, in connection therewith, actively engage in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that may impact the objectivity and

independence of the Independent Auditor; and take or recommend that the Board take, appropriate action to oversee the independence of the Independent Auditor. In making its evaluation of the Independent Auditor, the Committee shall take into account the opinions of management and the Company's internal auditor. The Committee shall present its conclusions with respect to the Independent Auditor to the Board.

10. At least annually, obtain and review a report by the Independent Auditor describing:
  - i. the firm's internal quality control procedures;
  - ii. any material issues raised by the most recent internal quality control review, peer review, 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 firm, and any steps taken to deal with any such issues; and
  - iii. the matters required to be communicated to the Committee by the Independent Auditor in accordance with AICPA SAS 61, *Communications with Audit Committees*.
11. Confirm with the Independent Auditor that the firm is in compliance with the partner rotation requirements established by the SEC, and consider whether, in order to assure continuing independence of the Independent Auditor, it is appropriate to adopt a policy of rotating the Independent Auditor on a regular basis.
12. Review and evaluate the lead partner of the Independent Auditor.
13. Set clear hiring policies, compliant with governing laws or regulations, for employees or former employees of the Independent Auditor.

#### *Financial Reporting Processes and Accounting Policies*

The Committee, to the extent it deems necessary or appropriate, will:

1. Review with management and the Independent Auditor major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of any significant deficiencies in the design or operation of the internal controls or material weaknesses therein.
2. Review analyses prepared by management or the Independent 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.

3. Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
4. Review and discuss with management and the Independent Auditor the Company's annual financial statements and quarterly financial statements, including the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and internal controls reports (or summaries thereof), including management's responses to such reports.
5. In consultation with management of the Company, the Independent Auditor and the Company's internal auditors, review the integrity of the Company's financial reporting processes and disclosure controls.
6. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein or any fraud involving management or other employees who have a significant role in the Company's internal controls.
7. Recommend to the Board whether the audited annual financial statements should be included in the Annual Report on Form 10-K.
8. Review with financial management and the Independent Auditor the Annual Report on Form 10-K and each Quarterly Report on Form 10-Q prior to the filing by the Company of each such Report, including the results of the review of such information by the Independent Auditor.
9. Discuss with management earnings news releases, including review of "pro-forma" or "adjusted" non-GAAP information contained in such news releases, and financial information and, if applicable, earnings guidance provided to the public, to analysts and to rating agencies. Such discussions may be on general terms (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not occur in advance of such release or guidance.

#### Internal Audit

The Committee, to the extent it deems necessary or appropriate, will:

1. As required, review and discuss with management the selection and removal of the manager of internal audit.
2. Periodically review activities, organizational structure and staffing, and qualifications of the internal audit function.

3. Periodically review with the manager of internal audit any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the internal audit group's work.
4. Periodically review and discuss with the Independent Auditor, the budget, staffing, and responsibilities of the internal audit function.
5. Review the regular internal reports (or summaries thereof) to management prepared by the internal auditing department and management's response.
6. Annually, review and recommend changes to the internal audit charter, if any.

#### Complaints and Anonymous Submissions

The Committee, to the extent it deems necessary or appropriate, will:

1. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees of the Company or its affiliates of concerns regarding questionable accounting or auditing matters.
2. The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding potential violations of applicable laws, rules, and regulations or of the Company's codes, policies, and procedures. The Committee shall also establish procedures for the confidential and anonymous submission by employees of the Company or its affiliates of concerns regarding questionable compliance matters.

#### Ethical Compliance, Legal Compliance and Risk Management

The Committee, to the extent it deems necessary or appropriate, will:

1. Review periodically the Company's code of conduct and its processes for communicating the code of conduct to company personnel, for training employees and for monitoring compliance therewith.
2. Discuss with management, internal audit and the Independent Auditor any material correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.
3. Periodically review with appropriate parties legal compliance matters relating to the Company, including the Company's insider securities trading policy, and legal matters that could have a significant impact on the Company's financial statements.

4. Discuss with management the Company's policies and guidelines with respect to risk assessment and risk management. Such discussions should include the Company's major financial and accounting risk exposures and the steps management has undertaken to monitor and control these exposures. In that regard, review with the appropriate members of management, on a periodic basis, the risks involved in, and controls imposed on, the Company's physical and financial commodities trading and hedging transactions, credit review policies, insurance, and foreign exchange and interest rate hedging transactions.

#### Other Audit Committee Responsibilities

The Committee, to the extent it deems necessary or appropriate, will:

1. Assure that minutes of meetings are maintained and make such minutes available to the Board for its review.
2. Periodically report to the Board on significant results of the Committee's activities.
3. Review with the Board any issues with respect to the quality or integrity of the financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Independent Auditor, and the performance of the internal audit function.
4. Periodically perform self-assessment of the Committee's performance. Review, discuss and assess the Committee's own performance as well as the Committee roles and responsibilities, seeking input from senior management, the Independent Auditor and the Board.
5. Periodically meet separately with each of management, internal audit and the Independent Auditor to review and discuss any matters that the Committee or other party believes warrant attention.
6. Prepare for inclusion in the Company's proxy statement for its annual meeting of stockholders the report required by the rules of the SEC.
7. Review and reassess the adequacy of this Charter periodically, at least annually, and recommend to the Board any necessary amendments as conditions dictate.

#### **IV. Posting Requirement**

The Company shall post this Charter on the Company's website as required by applicable rules and regulations. In addition, the Company shall disclose in its proxy statement for its annual meeting of stockholders that a copy of this Charter is available on the Company's website.

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While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility

or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law.