



TAX RISK MANAGEMENT POLICY 2021

INTRODUCTION

This document summarizes the tax risk management approach of APA Corporation's ("Apache's", or "the Company's") UK group and is published in compliance with Finance Act 2016, Schedule 19.

Apache's vision is to be the premier exploration and production company, contributing to global progress by helping meet the world's energy needs. Apache's mission is to grow in an innovative, safe, environmentally responsible and profitable manner for the long-term benefit of our stakeholders with a strategy to take a differentiated approach to the exploration and production of cost-advantaged hydrocarbons through innovation, technology, optimization, continuous improvement and relentless focus on costs to deliver top-tier, long-term returns.

Apache's UK group consists of wholly-owned indirect subsidiaries with tax residency in the UK. All UK tax resident subsidiaries of the company are incorporated in the UK, except for one that is incorporated in the Cayman Islands.

APACHE UK GROUP TAX STRATEGY

Apache's UK group tax strategy is designed to promote:

1. Fair, accurate and timely disclosure in tax returns, reports, and documents that Apache files with, or submits to, the tax authorities;
2. Compliance with applicable tax laws, rules and regulations;
3. Tax planning that is commercially driven and has a non-tax business purpose; and
4. Management of UK tax affairs in a proactive manner that seeks to maximise shareholder value and pay the proper amount of tax when due, while operating in accordance with the spirit and letter of the law.

TAX RISK MANAGEMENT AND GOVERNANCE

Apache's approach to tax risk management complements Apache's strategic goals and objectives and the tax function's role in delivering these goals and objectives. Apache's approach to tax risk management is also supported by a global tax risk policy which mirrors the values contained in [Apache's Code of Business Conduct and Ethics](#).

At Apache, potential tax risks are mitigated through the application of refined, established internal control policies and procedures. Apache determines the appropriateness of these control policies and procedures by assessing them frequently against the most contemporary legislation. Through the application of these controls and procedures, Apache complies with tax law; meets its obligations for reporting / information disclosures and remits cash taxes when due. Apache's Internal Audit team



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reviews and revises these controls annually before having them verified by a third-party auditor to ensure that it operates efficiently and effectively.

Training and support are offered and encouraged across all personnel in the Tax department to ensure that Apache is as efficient as possible and can be better prepared for future tax matters. Relevant training focuses on the development of skills and the expansion of technical knowledge. Each member of the Tax department is annually allocated individual goals as part of the aforementioned mission to continuously improve. Individual goals can be as simple as improving timeliness in tax computations; or as complex as learning and improving the use of the most cutting-edge accounting software systems. By following Apache's mission to continuously improve, the Tax department improves its reliability and accuracy in tax accounting. The major outcome of this goal-oriented program is that Apache can advance its overarching corporate targets.

Significant tax risks are regularly reviewed by the Vice President of the Tax department, the Tax Accounting Director, and the International Tax Manager. The Vice President of the Tax department provides regular and continuous updates to Apache's Chief Financial Officer regarding any significant tax risks and how those risks are being controlled and mitigated.

TAX PLANNING

Apache's business activity, with respect to tax, focuses on prudence. Apache will not enter artificial tax arrangements or take undesirable positions on tax that could be found improper under legal assessment. To maintain this focus on prudence, Apache monitors UK legislation and EU directives such as the EU Anti-Tax Avoidance Directive and denies any tax scheme that lacks commercial substance.

The Tax department and its function are imperative to Apache's present and future and so it works diligently with the highest level of conduct. All tax positions Apache takes are structured to minimize risk and to minimize uncertainty. These positions are judged thoroughly by external advisers and/or substantiated by rulings/clearances from tax authorities.

RELATIONSHIP WITH TAX AUTHORITIES

In order to carry out its function, Apache's Tax department maintains a cordial relationship with tax authorities, discloses information when requested and acts responsibly through the adherence to Apache's Code of Business Conduct, the Compliance Guide for Foreign Corrupt Practices and Anti-Corruption laws.

Apache attends and contributes with industry related professional bodies, particularly where discussions focus on UK tax. This is an essential activity as these professional bodies are a medium through which



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Apache's thoughts and information can be shared with the UK government and HMRC with respect to technical tax matters.

Apache is committed to compliance in disclosure requirements and to working with tax authorities in the minimization of disputes and the timely resolution of any disputes if they arise.