

I. Purpose of the Audit Committee

The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of APA Corporation (the “Company”) in oversight of the accounting and financial reporting processes of the Company and audits of the Company’s financial statements, including (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the qualifications, independence, and performance of any independent auditor engaged by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (the “Auditor”), and (iv) the performance of the Company’s internal audit function.

The Committee is also responsible for preparation of the audit committee report required by the rules and the regulations of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

The Committee’s function is one of oversight, recognizing that the Corporation’s management is responsible for preparing the Company’s financial statements, and the Auditor is responsible for auditing those statements. In adopting the Audit Committee Charter (“Charter”), the Board acknowledges that the Committee members are not employees of the Company and are not providing any expert or special assurance as to the Company’s financial statements or any professional certification as to the Auditor’s work or auditing standards. Each member of the Committee shall be entitled to rely on the integrity of those persons and organizations within and outside the Company that provide information to the Committee and the accuracy and completeness of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary. The Committee’s responsibilities and oversight role also apply to any subsidiary of the Company that is required or elects to have audits of its financial statements.

II. Member Requirements; Committee Structure, Processes and Authority

Membership Qualifications and Appointment

1. The Committee shall be composed of at least three (3) directors who shall satisfy the following criteria:
 - (a) Each member of the Committee shall be determined by the Board to be “independent” as defined and to the extent required by the applicable SEC rules and Nasdaq Stock Market (“Nasdaq”) listing standards, as they may be amended from time to time, for purposes of audit committee membership.
 - (b) Each Committee member shall be “financially literate,” as the Company’s Board interprets such qualification in its business judgment in accordance with applicable laws, regulations, and the Nasdaq listing standards. At least one Committee member must: (i) be considered an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K and (ii) be a “financially sophisticated audit committee member” as required by Nasdaq listing standards.
 - (c) No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies; unless the Board determines that

such simultaneous service would not impair the ability of such director to effectively serve on the Committee and discloses such determination in the Company's annual proxy statement.

(d) No director shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the previous three years.

2. Each member of the Committee shall be elected for a one-year term. The election of members of the Committee shall be held each year at the first meeting of the Board following the annual meeting of stockholders. Should a member of the Committee, for any reason, be unable to serve for the term to which he or she was elected, the vacancy may be filled by a majority vote of the Board at its next meeting.

3. Any member of the Committee may be removed by the Board at any time, with or without cause.

Chair of the Committee

The chair of the Committee shall be appointed by the Board for a one-year term coinciding with the chair's term as a member of the Committee.

Meetings

The Committee shall meet once each fiscal quarter, or more frequently if circumstances dictate, to discuss with management the annual audited financial statements and quarterly financial statements, as applicable. The Committee should periodically meet separately with management, the director of the Company's internal auditing department, and the Auditor to discuss any matters that the Committee or any of these persons or firms believe should be discussed privately. The Committee may request that any officer or employee of the Company or the Company's outside counsel or Auditor attend a meeting of the Committee or meet with any members of, or consultants to, the Committee. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. The Committee shall maintain minutes or other records of meetings of the Committee.

Resources and Authority of the Committee

The Committee has exclusive authority with respect to the appointment, compensation, retention and oversight of the Auditor. The Committee also has the authority to engage outside advisors, including legal counsel, accountants, and other advisers, as it determines necessary to carry out its duties.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation of any Auditor engaged for the purpose of rendering or issuing an audit report or performing other audit, review or attest services, (ii) compensation to any outside advisors engaged by the Committee, and (iii) ordinary administrative expenses that are necessary or appropriate for carrying out the duties of the Committee.

Delegation

The Committee may, in its discretion, if allowed by applicable laws and regulations, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee composed of at least two members. The Committee also hereby delegates to the chair of the Committee the authority to pre-approve audit and non-audit services to be performed by the Company's Auditor as provided for in pre-approval policies adopted from time to time by the Committee, provided that any pre-approval decisions made by the chair shall be presented to the full Committee at its next scheduled meeting.

Reporting and Recommendations

The Committee shall report regularly to the Board, with respect to such matters as are relevant to the Committee's discharge of its responsibilities, and with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the chair of the Committee or any other member of the Committee designated by the Committee to make this report. The Committee shall present its conclusions with respect to the Auditor's qualifications, performance, and independence to the full Board at least annually. The Committee shall, in its discretion, based on its review and discussion of the matters underlying the annual audit committee report, recommend to the Board that each year's audited financial statements be included in the Company's annual report on Form 10-K.

Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee. The Committee shall conduct such evaluations and review in such manner as it deems appropriate.

Charter

The Committee shall review and reassess the adequacy of the Charter annually and recommend any proposed changes to the Board. Any amendment or other modification to the Charter shall be made only by majority vote of the full Board.

The Charter shall be made available on the Company's website, and the Company will disclose in its annual proxy statement that the Charter is available on or through its website and provide the website address.

III. Responsibilities of the Committee

The following shall be the minimum recurring duties and responsibilities of the Committee in carrying out its oversight functions. These duties and responsibilities are set forth below as a guide to the Committee with the understanding that the Committee may modify or supplement them as appropriate under the circumstances to the extent permitted by applicable laws and listing standards:

Oversight of the Independent Auditor

1. The Committee is directly responsible for the appointment and retention of the Auditor. The Committee shall appoint the Auditor annually. The Committee may, at its discretion, seek Board and/or stockholder ratification of the Auditor it appoints. The Auditor shall report directly to the Committee.
2. The Committee is directly responsible for the compensation of the Auditor. The Committee shall preapprove all audit and non-audit services (including the fees and terms thereof) to be provided to the Company by the Auditor to the extent required by and in a manner consistent with the applicable law. In connection with the Committee's approval of non-audit services, the Committee shall consider whether the Auditor's performance of any non-audit services is compatible with the Auditor's independence.
3. The Committee is directly responsible for the oversight of the work of the Auditor, including the resolution of disagreements between management and the Auditor regarding financial reporting. The Committee shall evaluate the qualifications, performance, and independence of the Auditor. The Committee's evaluation of the independence of the Auditor shall be made with respect to applicable standards of independence set forth in any applicable laws, regulations, and listing standards. In evaluating the qualifications, performance, and independence of the Auditor, the Committee shall review the Auditor's work throughout the year and, at minimum, do each of the following:
 - (a) At least annually, obtain and review a report by the Auditor describing: (i) the Auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control procedures review, or peer review, of the Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting any independent audit carried out by the Auditor and any steps taken to deal with any such issues; and (iii) (to assess the Auditor's independence) all relationships between the Auditor and the Company. In addition, the Committee will actively engage in a dialogue with the Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor and take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
 - (b) Review and evaluate the lead audit partner.
 - (c) Take into account the opinions of management and the internal auditing department in making its evaluation of the Auditor.
 - (d) Ensure the regular rotation of the lead (or coordinating) audit partner (having primary responsibility for the audit) and the audit partner responsible for reviewing the audit, as required by law. Additionally, consider whether, in order to ensure continuing Auditor independence, there should be a change of the audit firm itself.
 - (e) Set clear hiring policies for employees or former employees of the Auditor and their immediate family members.

- (f) Review the Auditor's audit plan with the Auditor, internal audit, and finance management, including discussion of the overall audit strategy, timing of the audit, and significant risks identified during the Auditor's risk assessment procedures.
- 4. Ensure that the Company has an internal audit function to provide management and the Committee with ongoing assessments of the Company's risk management processes and system of internal control.
- 5. Review and discuss the responsibilities, budget, and staffing of the Company's internal audit function.
- 6. Review the appointment and replacement of the head of the internal auditing department.
- 7. Periodically review internal audit activities and results. Oversight of Financial Statements and Related Controls and Processes.
- 8. Meet, in person or telephonically, to review and discuss the Company's annual audited financial statements and quarterly financial statements with management, internal audit, and the Auditor, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and review and discuss:
 - (a) analyses prepared by management and/or the 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 generally accepted accounting principles ("GAAP") methods on the financial statements. In addition, prior to filing the financial statements the Committee will discuss with the Auditor (i) all alternative treatments within GAAP for policies and practices related to material items that have been discussed with management of the Company, including ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the Auditor, and (ii) any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;
 - (b) all critical accounting policies, practices, and estimates to be used;
 - (c) major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
 - (d) the effect of regulatory and accounting initiatives on the financial statements of the Company;
 - (e) the effect of any off-balance sheet arrangements on the financial statements of the Company;
 - (f) any significant transactions that are outside the normal scope of business for the Company or that otherwise appear to be unusual due to their timing, size, or nature and the policies and practices management has used to account for them;

- (g) review with the Auditor any audit problems, including disagreements with management about financial reporting matters, or difficulties encountered in the course of the audit work, including any restrictions on the scope of the Auditor's activities or on access to requested information, and management's response thereto;
 - (h) review any material written communications between the Auditor and management, such as any management letter or schedule of unadjusted differences; and
 - (i) discuss with Auditor matters that are difficult or contentious for which the Auditor consulted outside the engagement team and that the Auditor reasonably determined are relevant to the Committee's oversight of the financial reporting process.
9. Review findings of the Company's internal audit department related to internal controls, together with management's responses thereto. Review and discuss with management (including the head of internal audit) and the Auditor management's assessment of internal control over financial reporting and the Auditor's report on internal control over financial reporting prior to filing the Company's Form 10-K.
10. Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
11. Discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies in accordance with any applicable laws, regulations, and listing standards.
12. Meet separately, on a periodic basis, with management, the internal audit department, and the Auditor.

Compliance and Oversight

13. Review, at least annually, with the Auditor, and consider, any reports, communications, or matters (and management's and/or internal audit's responses thereto) the Auditor is required to submit to the Committee by the Public Company Accounting Oversight Board (United States), the SEC, other applicable regulations, and listing standards.
14. Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
15. Review, at least annually, with management and the Company's legal counsel the status of pending legal matters that may have a material impact on the financial statements.
16. The Committee shall also prepare and/or disclose any and all reports required to be prepared and/or disclosed by the Committee pursuant to the rules of the SEC (including the audit committee

report that the SEC rules require the Company to include in its annual proxy statement), the listing standards of any exchange upon which the Company's securities are listed for trading, or any other applicable laws and regulations.