PARTY CITY HOLDCO INC.
AUDIT COMMITTEE CHARTER

December 9, 2021

The Board of Directors (the “Board”) of Party City Holdco Inc. (the “Company”) hereby sets forth the authority and responsibilities of the Audit Committee (the “Committee”) as described below, subject to amendment by the Board from time to time.

I. PURPOSE

The Committee is established by the Board of the Company for the primary purpose of:

- Appointing, overseeing and replacing, if necessary, the independent auditor, and pre-approving all audit, audit-related, tax and other services, if any, to be provided by the independent auditors;
- Assisting the Board in:
  - Overseeing the integrity of the Company’s financial statements and the system of internal control over financial reporting and internal control framework,
  - Overseeing the integrity of the accounting and financial reporting processes of the Company,
  - Overseeing the Company’s compliance with legal and regulatory requirements,
  - Overseeing the qualifications and independence of the Company’s independent auditors,
  - Overseeing the Company’s charitable activities,
  - Overseeing the performance of the Company’s independent auditors and internal audit function;
- Preparing the report that the Securities and Exchange Commission (the “SEC”) requires to be included in the Company’s annual proxy statement.

Company management is responsible for preparing the Company’s financial statements and the independent auditor is responsible for auditing those financial statements. It is not the duty of the Committee to plan or conduct the audit or to determine that the Company’s statements are complete and accurate or are in accordance with generally accepted accounting principles (“GAAP”). Nothing in this Audit Committee Charter (the “Charter”) changes, or is intended to change, the responsibilities of management or the independent auditors. Moreover, nothing in this Charter is intended to increase the liability of the members of the Committee beyond that which existed before this Charter was approved by the Board. The Committee has the direct and sole responsibility for the appointment, compensation, oversight, evaluation and replacement, if necessary, of the independent auditor, including the resolution of disagreements between management and the auditor regarding financial reporting.

The Committee will encourage continuous improvement of, and foster adherence to, the Company’s policies and procedures. The Committee will also foster open communication among the independent auditors, financial and senior management, the internal audit function, and the Board.

The Committee has the authority to obtain advice and assistance from outside legal counsel, accounting or other outside advisors as deemed appropriate by the Committee in its sole discretion to perform its duties and responsibilities. The Committee shall be entitled to rely on (i) the integrity of those
persons and organizations within and outside the Company that it receives information from and (ii) the accuracy of the financial and other information provided to the Committee by such persons’ organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board of Directors).

The Company will provide appropriate funding, as determined by the Committee, for compensation to the independent auditors, to any advisors that the Committee chooses to engage, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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 will be comprised of three or more directors as determined by the Board and each such committee member will satisfy the listing requirements of The New York Stock Exchange (the “NYSE”) (regardless of whether shares of the Company’s common stock are listed on that exchange). Each member of the Committee shall satisfy the independence requirements of the Securities Exchange Act of 1934 and the NYSE, including the enhanced independence requirements for audit committee members, as such requirements are interpreted by the Board in its business judgment, and the Board shall annually review the Committee’s compliance with such requirements. An affirmative vote of the Board may remove members of the Committee from such Committee, with or without cause. All members of the Committee will be familiar with finance and accounting practice and principles and shall be financially literate. Furthermore, at least one member of the Committee will be an “audit committee financial expert” for purposes of the SEC rules, as more fully defined in SEC’s Regulation S-K, Item 407(d)(5)(ii).

The members of the Committee will be elected by the Board annually, on the recommendation of the Nominating and Governance Committee, to serve until their successors are elected. No member of the Committee may sit on more than three separate audit committees, including this Committee, unless the Board determines that sitting on a fourth audit committee would not impair the ability of such member to effectively serve on the Committee. Unless a chairperson is elected by the full Board, the members of the Committee may designate a chairperson by majority vote. The Committee may form subcommittees and delegate to subcommittees any responsibilities of the full Committee. The Committee shall also have to the authority to form committees comprised of members of the Company’s management and to delegate to such committees as well as other persons (including, but not limited to, members of the Company’s management) such tasks and responsibilities as it deems appropriate, in each case, not inconsistent with applicable law and NYSE listing standards. Each subcommittee or management committee shall keep minutes of its meetings and report them to the Committee.

The Committee should meet as frequently as considered necessary by the Committee or the chairperson and shall meet at least four times annually and, to the extent practicable, in conjunction with the regularly scheduled Board meetings. The Committee shall fix its own rules of procedure. Any member of the Committee may call a meeting of the Committee upon due notice to each other member at least twenty-four hours prior to the meeting (provided that participating in any meeting shall be deemed to constitute waiver of any deficiency in such notice). A majority of regular members then serving on the Committee shall constitute a quorum. Action may be taken by the Committee (or any subcommittee of the Committee) upon the affirmative vote of a majority of members of the Committee (or subcommittee). Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing.
As part of its responsibility to foster open communication, the Committee will meet periodically with management, the director of the internal audit function, and the independent auditor in separate executive sessions to discuss the results of examinations or any matters that the Committee or any of these persons or firms believe should be discussed privately. In addition, the Committee will meet with the independent auditor and management to discuss the annual audited financial statements.

III. RESPONSIBILITIES AND DUTIES

The Committee will have the following responsibilities and duties:

**Documents/Reports/Accounting Information Review**

1. Review and discuss with management and the independent auditor the Company’s annual financial statements, quarterly financial statements and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” (the “MD&A”) of the Company prior to the filing of the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Review and discuss earnings press releases, paying particular attention to the use of “pro forma” or “adjusted” non-GAAP information. Discuss results of the annual audit and quarterly review and any other matters required to be communicated to the Committee by the independent auditor under GAAP standards. Review other relevant reports or financial information submitted by the Company to any governmental body or the public, including management certifications, and relevant reports rendered by the independent auditor (or summaries thereof).

2. Discuss with management and the independent auditor their judgment about the quality of accounting principles, the reasonableness of significant judgments, including a description of any transactions to which the management obtained a Report on the Application of Accounting Principles, and the clarity of the disclosures in the financial statements, including the Company’s disclosures of critical accounting policies and other disclosures under the MD&A.

3. Recommend to the Board whether the financial statements should be included in the Company’s annual report.

4. Prepare an audit committee report for inclusion in the Company’s annual proxy statement as required by the rules of the SEC.

5. Review or establish standards for the financial information and earnings guidance provided to creditors, analysts or ratings agencies. Such discussions may be in general terms (e.g., discussion of the types of information to be disclosed and the type of presentations to be made).

6. Review the regular internal reports to management (or summaries thereof) prepared by the internal auditing department, as well as management’s response.

7. Review any financial statements related to the Company’s benefit plans.

**Independent Auditor**

1. Annually appoint and determine the compensation of the independent auditor and oversee the work performed by the independent auditor for the purpose of preparing or issuing an audit letter or related work.

2. Annually review the performance of the independent auditor and remove the independent auditor or the lead audit partner if circumstances warrant. The independent auditor will report directly to the

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Committee and the Committee will oversee the resolution of disagreements between management and the independent auditor if they arise. Consider whether the auditor’s performance of permissible nonaudit services is compatible with the auditor’s independence. Discuss with the independent auditor the matters required to be discussed under applicable auditing standards of the Public Company Accounting Oversight Board (the “PCAOB”).

3. Review and evaluate the qualifications, performance and independence of the lead audit partner of the independent auditor.

4. Review with internal auditors and the independent auditor the overall scope and plans for audits, including authority and organizational reporting lines, and adequacy of staffing and compensation.

5. Review with internal auditors and independent auditors any difficulties with management’s responses.

6. Review with the independent auditor and management any problems or difficulties in conducting the audit and hold timely discussions with the independent auditor regarding the following:

   • All critical accounting estimates, policies and practices used in preparation of the Company’s financial statements;
   • Any critical audit matters arising from the current period audit;
   • Any alternative treatments of GAAP that have been discussed with management, the ramifications of the use of such alternative (including disclosures) and the treatment preferred by the independent auditor; and
   • Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.

7. At least annually, obtain and review formal written documentation from the independent auditor describing:

   • Any material issues raised by the independent audit firm’s most recent internal quality-control review or peer review, or by any inquiry or investigation conducted by governmental or professional authorities during the preceding five years with respect to independent audits carried out by the firm, and any steps taken to deal with any such issues; and
   • The auditor’s independence and all relationships between the independent auditor and the Company, addressing the matters set forth in applicable PCAOB requirements. The formal reports from the independent auditor to the Committee should be used to evaluate the independent auditor’s qualifications, performance, and independence.

8. Actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take appropriate actions to oversee the independence of the outside auditor. Further, the Committee will review the experience and qualifications of the lead partner and other senior members of the independent audit team each year, including compliance with applicable rotation requirements. The Committee will also consider whether there should be rotation of the firm itself.

9. Review and pre-approve (which may be pursuant to pre-approval policies and procedures) both audit and nonaudit services to be provided by the independent auditor. The authority to grant pre-approvals may be delegated to one or more designated members of the Committee whose decisions will be presented to the full Committee at its next regularly scheduled meeting.
10. Set clear hiring policies, compliant with governing laws and regulations, for employees or former employees of the independent auditor.

Financial Reporting Processes, Accounting Policies, and Internal Control Structure

1. Discuss and review the effect of regulatory and accounting initiatives, as well as alternative GAAP methods, off-balance-sheet structures, on the financial statements of the Company.

2. Periodically review with management any significant deficiencies and material weaknesses in the design or operation of internal controls, any fraud that involves management or other employees who play a significant role in the Company’s internal controls, disagreements with management, or scope restrictions encountered in the course of the function’s work.

3. To review with management and the Company’s independent auditor the adequacy and effectiveness of the Company’s financial reporting processes, internal control over financial reporting and disclosure controls and procedures (including information technology controls and procedures), including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company’s internal controls or processes, controls and procedures and any remedial steps adopted in connection therewith.

4. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

5. Establish procedures for the confidential, anonymous submission by Company employees of information regarding questionable accounting or auditing matters.

6. To review with management and, as necessary, the independent auditor, any Company disclosures with respect to any sustainability accounting standards that are publicly disclosed or reported to environmental, social and governance ratings agencies.

Internal Audit

1. Review activities, organizational structure and qualifications of the internal audit function and establish an appropriate control process for reviewing and approving the Company’s Internal Audit Plan, transactions and accounting.

Accounting Practices and Ethical Compliance, Legal Compliance, and Risk Management

1. Oversee and review periodically with management, legal counsel, and other experts, as appropriate, the programs and policies of the Company designed to ensure compliance with applicable laws and regulations, including compliance with financial crimes laws and regulations, the Foreign Corrupt Practices Act, foreign anti-corruption laws, and export control regulations, and with the Company’s ethical standards, and the results of these compliance efforts.

2. Review the policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company’s major financial risk exposures and the steps management has undertaken to control them unless delegated to a separate committee of the Board.

3. Review, with the Company’s counsel, any legal matter that could have a significant impact on the Company’s financial statements.
4. Oversee and review the Corporate Code of Conduct and Business Ethics.

Other Responsibilities

1. Review and approve any transaction, arrangement or relationship in connection with the Company’s Policy with Respect to Related Person Transactions.

2. Oversee and review the Company’s Policy with Respect to Related Person Transactions.

3. Oversee, review and assess administration and operation of the Company’s Whistleblower Policy, which shall cover the receipt of complaints relating to accounting, internal accounting controls or auditing matters as well as other illegal, dishonest, unethical or otherwise improper activities.

4. Regularly review the Company's cybersecurity and other information technology risks, controls and procedures. The Committee should also regularly review with management any specific cybersecurity issues that could affect the adequacy of the Company's internal controls.

5. Oversee the Company’s business continuity and disaster preparedness planning.

6. Conduct an annual performance assessment relative to the Committee’s purpose, duties, and responsibilities outlined herein.

7. Review and assess the adequacy of this Charter periodically, at least annually, and recommend to the Board any necessary amendments.

8. Report the Committee’s activities to the Board on a regular basis.

9. Perform any other activities consistent with this charter, the Company’s bylaws, and governing law, as the Board deems necessary or appropriate.

IV. AMENDMENTS

This Charter is subject to amendment or change from time-to-time, which must be approved by the Board and communicated in writing.