

BREAD FINANCIAL HOLDINGS, INC. AUDIT COMMITTEE CHARTER

Function

The Audit Committee (the “*Committee*”) is a committee of the Board of Directors (the “*Board*”) of Bread Financial Holdings, Inc. (the “*Company*”). Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing: (1) the integrity of the Company’s financial statements; (2) the Company’s compliance with legal and regulatory requirements; (3) the qualifications and independence of the Company’s independent registered public accounting firm (the “*independent auditor*”); (4) the performance of both the Company’s independent auditor and its internal audit department and (5) the Company’s finance function, including annual operating budget, corporate debt and capital planning functions.

Responsibilities

In addition to such other duties and responsibilities as the Board may from time to time assign, the Committee shall:

Financial Statements and Disclosure Matters

- Prepare annually a report of the Committee for inclusion in the Company’s annual proxy statement, as required by the applicable rules and regulations of the Securities and Exchange Commission (the “*SEC*”).
- Review and discuss financial statements and disclosures to be included in SEC filings with both management and the independent auditor, including:
 - Interim financial statements
 - Annual audited financial statements
 - The independent auditor’s opinion to be issued on the financial statements
 - Disclosures made in Management’s Discussion and Analysis of Financial Condition, Results of Operations, and other sections of the Company’s periodic reports.
- Recommend to the Board whether the audited financial statements should be included in the Annual Report on Form 10-K and whether to approve the filing of the Form 10-K with the SEC.
- Review and discuss with management the Company’s earnings releases, including the use of non-GAAP information, 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) and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
- Review and discuss reports from the independent auditor on: (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such

alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences, the development, selection and disclosure of critical accounting estimates, and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Company's financial statements.

- Discuss with management and the independent auditor the effect of regulatory and accounting initiatives on the Company's financial statements.
- Review any disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer regarding any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other associates who have a significant role in the Company's internal control over financial reporting.
- Discuss with management and the independent auditor significant financial reporting issues, critical audit matters, and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, and the judgments of each of management and the independent auditor as to the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- Review and approve the Company's allowance for credit losses accounting policy, including any revisions thereto, at least annually.
- Review and discuss with management and the independent auditor management's report on internal control over financial reporting and the independent auditor's attestation of the Company's internal control over financial reporting prior to the filing of the Company's Annual Report on Form 10-K.
- Review and discuss with management and the independent auditor management's reports issued in accordance with Federal Deposit Insurance Corporation Improvement Act of 1991 (the "*FDICIA*") and the independent auditor's attestation of such reports.

Oversight of the Company's Relationship with the Independent Auditor

- Appoint, compensate, and oversee the work of the independent auditor. The independent auditor shall report directly to the Committee. The Committee has the sole authority and responsibility to select, evaluate, oversee and, as appropriate, replace the independent auditor (including the nomination of the independent auditor for inclusion in the Company's annual stockholder meeting proxy statement). In evaluating the independent auditor's qualifications, performance and independence, the Committee should discuss with the independent auditor such firm's independence, take into account the opinions of management and the internal auditors, and consider whether the independent auditor's quality controls are sufficient and whether the provision of permitted non-audit services is compatible with maintaining such firm's independence. The Committee shall take appropriate action when and as necessary to independently assess the independent auditor's independence. The Committee shall present its conclusions with respect to the independent auditor to the Board annually and as needed.

- Discuss with the independent auditor the matters required to be discussed by generally accepted auditing standards established by the Public Company Accounting Oversight Board and under the rules of the SEC and other applicable authorities (as such standards and rules may be established or amended from time to time), including Auditing Standard No. 1301, *Communications with Audit Committees*. In particular, the Committee and the independent auditor shall discuss, among other things, matters that arise during the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- Review and evaluate the experience and qualifications of the lead partner of the independent auditor's audit team for the Company.
- Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality control procedures, (b) any material issues raised by the most recent internal quality control review, or peer review, of the independent auditor, 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 independent auditor, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company or any of its subsidiaries.
- Ensure the rotation by the independent auditor of the lead (or coordinating) audit partner having primary responsibility for the Company's audit and the audit partner responsible for reviewing the audit as required by law.
- Make recommendations to the Board regarding the Company's hiring policies for employees or former employees of the independent auditor who were engaged on the Company's account or participated in any capacity in the audit of the Company.
- Meet with the independent auditor prior to the audit to discuss the scope, approach, and staffing of the audit.
- Pre-approve all auditing services, internal control-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the independent auditor, subject to such exceptions for non-audit services as permitted by applicable laws and regulations and in accordance with the Company's Audit and Non-Audit Services Pre-Approval Policy. The Committee may when it deems appropriate, form, and delegate this authority to, a subcommittee consisting of one or more Committee members, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next meeting.
- Discuss with the independent auditor issues on which the national office of the independent auditor was consulted by the Company's audit team.

Oversight of the Internal Audit Function

- Oversee the activities of the internal audit function and its compliance with the Institute of Internal Auditors' Global Internal Audit Standards.
- Review and approve the appointment, replacement and compensation of the senior internal audit executive, who shall report functionally to the Committee and its Chairperson and administratively to the Company's Chief Legal Officer.
- Review the qualifications and competence of senior-level internal audit staff and the adequacy of staffing of the internal audit function to appropriately perform its duties.
- Review with the senior internal audit executive any difficulties encountered by the internal audit function in the course of its audits, including any restrictions on the scope of its work or access to required information, and management's response to same.
- Review the significant reports to management prepared by internal audit and management's responses, including the timetable for implementation of the recommendations to remediate identified deficiencies in internal controls.
- Discuss with the independent auditor, management, and the senior internal audit executive the responsibilities, annual audit plan, budget, activities and staffing of the internal audit function, and any recommended changes in their planned scope.
- Review and approve the Internal Audit Charter on an annual basis.
- Review the effectiveness of the internal audit function and facilitate the annual evaluation of the senior internal audit executive.

Oversight of Risk Assessment and Risk Management

The Committee's responsibilities and authority pertaining to risk are as set forth below and, except as specified with regard to certain acquisitions, divestitures and brand partner program agreements, do not extend to risk matters to the extent they are reported on to another committee of the Board with primary oversight of such risk matters.

- As required by New York Stock Exchange ("*NYSE*") rules, review and discuss with management, at least annually:
 - The key guidelines and policies governing the Company's significant processes for risk assessment and risk management; and
 - The Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Review and discuss with management, the independent auditor and internal audit the Company's risk assessment and risk management policies and the steps management has taken to monitor and

control major risk exposures, including financial and financial reporting risks, and financial risks related to litigation or other legal, regulatory or compliance matters.

- Review and discuss with the senior internal audit executive, periodically as appropriate, the audit practices, guidelines and policies, of the Company’s wholly-owned bank subsidiaries (each a “**Bank**” and together, the “**Banks**”).
- With respect to operational risk, review with management matters related to the effectiveness of the Company’s control environment and the status of corrective actions.
- Review, with authority to approve or reject:
 - (i) All new Bank business and any renewals of or material changes to existing Bank client contracts, including without limitation any new private label or co-brand business, installment loan, new Bank product and portfolio purchase or sale agreements, *if*:
 - the proposed average accounts receivable are projected over the duration of a *de novo* program or renewal term to be equal to or greater than \$500 million;
 - or*
 - the transaction requires approval by a Bank’s board of directors;
 - and*
 - (ii) Any acquisition or divestiture (*other* than Bank portfolio transactions subject to item (i) above and ordinary course sales of written off accounts to, or repurchases from, collectors), merger, consolidation, joint venture, or outsourcing agreement, where the total consideration to be paid or received is greater than \$10 million but does not exceed \$20 million; with the Company’s Chief Executive Officer having the authority to approve such transactions where the total consideration does not exceed \$10 million; *and provided*, that in each case notice of any such acquisition, divestiture, merger, consolidation, joint venture or outsourcing agreement shall be provided to the Board.

Compliance and Regulatory Oversight Responsibilities

- Obtain from the independent auditor assurance that Section 10A(b) of the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the “**Exchange Act**”) regarding discovery of illegal acts has not been implicated.
- Review the adequacy of the Company’s internal control over financial reporting and the disclosure controls and procedures designed to ensure compliance with applicable laws and regulations.
- 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 associates of concerns regarding questionable accounting or auditing matters.

- Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any associate complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.
- Review the Company's Related Party Transactions Policy annually and recommend changes, if any, to the Board. In accordance with such Policy, review and approve all Related Party Transactions (as defined therein).
- Review any requested waiver by the principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions or any Company director regarding the Company's Code of Ethics or the Code of Ethics for Senior Financial Officers and recommend to the Board whether a particular waiver should be granted.
- Discuss with the Company's Chief Legal Officer legal matters that may have a material impact on the financial statements or accounting policies.
- Oversee and receive reports on significant long-term projects, the projected cost of which is material in nature.
- Receive periodic briefings on the key controls and processes relating to financial reporting or financial or accounting matters.
- Receive and discuss reports from management, on an as needed basis, relating to significant reported claims of ethical violations involving allegations of financial reporting or accounting matters.

Oversight of Finance Function

- Oversee the Company's finance function, and review (and as appropriate approve) at least annually significant finance-related policies.
- Review with management, approve and make recommendations to the Board regarding the Company's annual operating plan, and oversee management's execution of that plan.
- Review with management the Company's corporate debt strategies and plans, approve the Company's corporate debt plans and oversee management's execution of those plans.
- Review with management the Company's capital strategies and plans, approve the Company's capital plans and oversee management's execution of those plans.

General

- Resolve disagreements between management and the independent auditor regarding financial reporting.

- Review reports from management, the independent auditor and internal audit regarding legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and reports received from regulators.
- Review, oversee and make recommendations to the Board regarding stockholder proposals for inclusion in the Company’s proxy materials relating to audit matters.
- Coordinate, as needed, with the Risk & Technology Committee to help ensure that both the Committee and the Risk & Technology Committee have received information necessary to allow them to fulfill their duties and responsibilities with respect to risk assessment and risk management.
- Monitor audit-related regulatory developments and trends and solicit independent advice where appropriate.
- Regularly report Committee actions to the Board with such recommendations as the Committee may deem appropriate.
- Review the Committee’s Charter annually and recommend any proposed changes to the Board for approval.
- Evaluate the performance of the Committee at least annually, through participation in the annual Board and committee performance evaluations overseen by the Nominating & Corporate Governance Committee.

Membership

The Committee shall consist of at least three independent members of the Board, each of whom (i) meets the independence requirements of the NYSE, the Company’s Corporate Governance Guidelines and the FDICIA and applicable rules and regulations thereunder and (ii) otherwise satisfies the applicable requirements for audit committee service imposed by the Exchange Act. Each member of the Committee must be financially literate, as required by the NYSE; and, unless otherwise disclosed in compliance with applicable rules, at least one member shall be an “audit committee financial expert” in accordance with SEC rules. Any action taken by the Committee during a period in which one or more of the members subsequently is determined to have failed to meet the membership qualifications shall nevertheless constitute duly authorized actions of the Committee and shall be valid and effective for all purposes, except to the extent required by law or determined appropriate by the Committee to satisfy regulatory standards. The members of the Committee and the Chairperson shall be appointed by and serve at the pleasure of the Board. Committee members may be removed at any time, with or without cause, by the Board. Committee members shall not simultaneously serve 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 serve effectively on the Committee.

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board. Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines

rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

While the Board has delegated to the Committee oversight duties and responsibilities pursuant to this Charter, the fundamental responsibility for the accuracy of the Company's accounting and financial reporting processes remains with management and the independent auditor.

Meetings and Operations

The Committee shall meet at least four times per year or more frequently as circumstances require. Additional meetings may also be held at such other times as shall be reasonably requested by the Chair of the Committee. The Committee Chair shall approve the agenda for the Committee's meetings, and any member may suggest items for the Committee's consideration. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee. The Committee may take action by unanimous written consent in lieu of a meeting. The Committee shall meet periodically with management of the Company, may hold executive sessions at which no members of management are present, and shall meet periodically with the internal audit executive and the independent auditor in executive sessions apart from management. The Committee may invite to its meetings any members of management, including the CEO, and such other persons as it deems appropriate in order to carry out its duties and responsibilities. The Committee may meet jointly with the board or any committee of any Bank.

Minutes of each meeting are to be prepared and sent to Committee members and the Company's directors who are not members of the Committee. If the secretary or assistant secretary of the Company has not taken the minutes, the minutes should be sent to him or her for permanent filing after approval.

Authority

The Committee shall have the power to conduct or authorize investigations into any matters within its duties and responsibilities as set forth in this Charter. The Committee is empowered to approve and amend policies and programs within its purview, and, with respect to policies and programs that the Board has reserved its authority to review and approve, to recommend approval or amendment of such policies or programs to the Board.

The Committee has the authority to retain, at the Company's expense, independent legal counsel, accountants, consultants and other advisors, as the Committee determines necessary or appropriate to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall have the sole authority to retain, oversee the work of, and terminate any such counsel, accountants, consultants and advisors and to approve the fees and other retention terms of any such parties. The Company must provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to the independent auditor, any independent legal counsel or any other consultant or advisor retained by the Committee, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have unrestricted access to members of management and all information relevant to its responsibilities.

Delegation of Authority

The Committee may delegate any of its responsibilities set forth under the Charter or directed to the Committee by the Board, to one or more sub-committees comprised of one or more members of the Committee, provided that such delegation is permitted under applicable laws, rules and regulations.

November 23, 2025