



Heritage
Financial
CORPORATION

AUDIT AND FINANCE COMMITTEE CHARTER

INDIVIDUAL RESPONSIBLE FOR POLICY: Director of Internal Audit

LAST APPROVAL DATE: February 2025

CURRENT APPROVAL DATE: February 2026

COMMITTEE PRESENTED TO: Audit Committee

**HERITAGE FINANCIAL CORPORATION AND
SUBSIDIARIES
AUDIT and FINANCE COMMITTEE CHARTER**

The Audit and Finance Committee (the "Audit Committee") of Heritage Financial Corporation and subsidiaries (collectively referred to in this Charter as the "Company"), which shall be constituted annually by the Boards of Directors of Heritage Financial Corporation and its subsidiary bank (collectively referred to in this charter as the "Board of Directors"), shall have the following objectives, operating policies and functions.

A. OBJECTIVES

The objectives of the Audit Committee are as follows:

1. to assist the Company's Board of Directors in fulfilling its fiduciary and oversight responsibilities relating to the Company's accounting and financial reporting standards and processes and the annual independent audits of the Company's financial statements and internal control over financial reporting;
2. to provide oversight with respect to the Company's system of internal controls and internal audit function;
3. to maintain open, continuing and direct communication among the Company's Board of Directors, management, external auditors and internal auditors;
4. to initiate any special investigations of conflicts of interest and compliance with federal, state, local and foreign laws and regulations, including the Foreign Corrupt Practices Act, as may be warranted.

B. OPERATING POLICIES

The primary operating policies of the Audit Committee are as follows:

1. the Audit Committee shall be composed of three or more independent directors, all of whom must be directors of Heritage Financial Corporation. The standard for independence is as defined in NASDAQ Listing Rule 5605(a)(2) and under Rule 10A-3(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act"). Audit Committee members shall not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. Members of the Audit Committee shall be appointed and removed by action of the Board of Directors, based on the recommendations of the Board Governance/Nominating Committee, and the Board of Directors shall determine the Chair of the Committee;
2. each Audit Committee member shall be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, in compliance with NASDAQ Listing Rule 5605(c)(2)(A). Additionally, at least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional

certification in accounting or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities, in compliance with NASDAQ Listing Rule 5605(c)(2)(A). At least one member of the Audit Committee who qualifies as such may be designated annually as an "audit committee financial expert," as defined in the rules and regulations of the Securities and Exchange Commission ("SEC") and as the Board of Directors interprets such qualification in its business judgment.

3. the Audit Committee shall hold such meetings as deemed necessary but shall meet at least four times per calendar year. The presence of a majority of the members of the Committee shall constitute a quorum for the transaction of business. The Committee Chair shall serve as the chairperson of the meeting, but if the Committee Chair is not available, the other members of the Committee may appoint a temporary chairperson for the meeting. Minutes of all Committee meetings shall be taken and approved at subsequent meetings;
4. upon the request of the firm of independent public accountants that audit the Company's consolidated financial statements and internal control over financial reporting (i.e., the external auditors), internal auditors, the Company's General Counsel, or the Company's Chief Risk Officer (CRO), the Chair of the Audit Committee shall convene a meeting of the Committee to consider any matters such external auditors, internal auditors, legal counsel or officer believe should be brought to the attention of the Audit Committee;
5. the Audit Committee may ask members of management or others to attend meetings of the Audit Committee and provide pertinent information as necessary or appropriate;
6. the Audit Committee has the authority to direct and supervise an investigation into any matter, and has the authority to retain, at the Company's expense, independent counsel or other advisers, as it deems necessary to carry out its duties; and
7. except as otherwise specifically provided herein or in the Company's articles of incorporation or bylaws, the Audit Committee shall determine its rules of procedure.

C. FUNCTIONS

The functions of the Audit Committee shall be as follows:

1. to fully communicate to the Board of Directors the proceedings of the Audit Committee;
2. to have direct responsibility for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements

between management and such firm regarding financial reporting. Any such firm shall report directly to the Audit Committee;

3. to pre-approve the engagement of and the compensation to be paid to the external auditors for all audit and permissible non-audit services to be provided by the external auditors and consider the possible effect that any non-audit services could have on the independence of the external auditors, provided, however, the pre-approval requirement is waived with respect to the provision of non-audit services for the Company if the "de minimis" provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied. The Audit Committee will establish pre-approval policies and procedures, as permitted by applicable law and SEC regulations and consistent with this Charter, for the engagement of the external auditors to render permissible non-audit services to the Company;
4. to review in advance with the external auditors their audit plans and scope for the coming year and any non-audit services performed or planned, and to approve in advance all work (audit, tax, systems, etc.) that the external auditors perform for the Company;
5. to annually review the independence of the external auditors including receiving from the external auditors a formal written statement delineating all relationships between the external auditors and the Company and to actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors and to take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors;
6. to review and approve public press releases containing actual or projected financial results prior to their release to the public;
7. to review and approve annual reports on Form 10-K and quarterly reports on Form 10-Q prior to their filing with the SEC;
8. to determine, through discussions with the external auditors and internal auditors, whether any restrictions are being placed by management on the scope of their examinations or whether there are any significant disagreements with management and address as appropriate;
9. to review with the external auditors the audit report and their comments arising from any audit;
10. to review the internal audit organization and the internal audit goals and risk based plans, approve annually the internal audit calendar, and discuss the findings, recommendations, and corrective actions, resulting from internal and external audits and regulatory exams; further review with the external auditor the functioning and structure of the internal audit department;
11. to review with the appropriate officers of the Company the responses made to the audit findings and the adequacy of the systems of internal control;

12. to review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Forms 10-K and 10-Q with respect to the financial statements and about any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting;
13. to review the annual reports of management and the external auditors on the Company's internal control over financial reporting required by SEC regulations;
14. to review with the Company's management on a periodic basis new or changed accounting policies, and significant estimates, judgments, uncertainties or unusual transactions;
15. to review with the Company's management any unusual non-operating or non-recurring items and the general quality of earnings reported by the Company;
16. to review with the Company's management and external auditors and internal auditors the annual financial statements and results of the audit, discuss with the external auditors their independence and the matters required to be discussed by Auditing Standard No. 16, as may be modified or supplemented, and recommend to the Board of Directors whether the audited financial statements should be included in the Company's Annual Report on Form 10-K. Prepare a report addressing the foregoing matters and any other matters required under the regulations of the SEC for inclusion in the Company's annual proxy statement;
17. to establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
18. to review periodically, but at least once each year, all service agreements between the Company and any of its affiliates to assure that such agreements are fair to the Company and its shareholders;
19. to conduct an appropriate review and oversight of all related party transactions on an ongoing basis for conflict of interest situations, as required by NASDAQ Listing Rule 5630(a), and approve such transactions when necessary and appropriate. For these purposes, the term "related party transactions" shall refer to transactions of the type described in Item 404(a) of SEC Regulation S-K, regardless of the amount involved;
20. to recommend to the Board of Directors policies and procedures to be developed for dealing with various matters as to which conflicts of interest may arise, and periodically review the application of such policies and procedures;
21. to conduct executive sessions with the external auditors, internal auditors, CEO, CFO, CRO, and anyone else as desired by the Audit Committee. The Audit Committee may also meet separately with regulatory examiners;

22. to review and evaluate the performance of the external auditors and the internal audit staff, including internal audit department needs. Approve decisions regarding the appointment and removal of the Director of Internal Audit and review the annual performance evaluation of the Director of Internal Audit. Approve the remuneration of the Director of Internal Audit;
23. to ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the external audit and the audit partner responsible for reviewing the external audit as required by law, rule or regulation and the rotation of any other audit partner whose rotation is required by law, rule or regulation;
24. to review at least annually the Company's code of ethics and conduct policy and code of ethics for senior financial officers and recommend any proposed changes to the Board of Directors for its approval;
25. to perform a self-assessment of the Audit Committee on at least an annual basis and take any action necessary based on the results of the assessment;
26. to review and assess the adequacy of this Charter on at least an annual basis, and recommend any proposed changes to the Board of Directors for its approval;
27. to discharge any other duties and responsibilities as may be delegated to the Audit Committee by the Board of Directors from time to time, and to perform any other activities not inconsistent with this Charter, the Company's articles of incorporation and bylaws and applicable law as the Board of Directors or the Audit Committee may deem necessary or appropriate.

The Company shall provide the Audit Committee with appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board of Directors, for payment of: (i) compensation to the external auditors and to any advisors employed by the Audit Committee; and (ii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Committee's function is one of oversight only and does not relieve management of its responsibilities to: (1) make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) devise and maintain an effective system of internal accounting controls; (3) devise and maintain effective disclosure controls and procedures and internal controls over financial reporting; and (4) prepare financial statements that are accurate and complete and fairly present the financial condition, results of operations and cash flows of the Company and further does not relieve the external auditors of their responsibilities relating to the audit or review of financial statements.

Approved by the Audit and Finance Committee of the Board of Directors:

February 25, 2026

Date