

**Heritage Financial Corporation
and Heritage Bank
Compensation Committee Charter**

Board Approved: February 2026

Purpose

The Compensation Committee (the "Committee") of the Boards of Directors (collectively, the "Board") of Heritage Financial Corporation (the "Company") and its subsidiary, Heritage Bank (the "Bank"), shall carry out certain of the Board's responsibilities with respect to compensation of executive management and make recommendations to the Board regarding director compensation.

Committee Membership

The Committee shall consist of no fewer than three members. All members of the Committee shall meet the independence requirements of the NASDAQ and the Securities and Exchange Commission (the "SEC") rules, and at least two voting members shall qualify as "non-employee directors" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934. The Board may consider whether it is advisable for members of the Committee to also qualify as independent under any other standards of applicable law, rule or regulation.

The Board shall appoint the members of the Committee based on the recommendation of the Board Governance and Nominating Committee. The Board shall consider and appoint the Committee's members annually. The Board may replace a Committee member at any time.

Committee Chair

The Board shall appoint one of the Committee members as the Committee Chair. The Committee may appoint one of its members as Vice Chair to carry out the duties of the Committee Chair in his or her absence.

Meetings

The Committee shall meet as often as necessary to carry out its duties, but no less than twice annually. Meetings shall be called by the Chairperson of the Committee or the Vice Chair in the Committee Chair's absence. The Committee Chair may request any officer or employee of the Company or the Company's outside advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee may meet with management members, but shall also meet in executive sessions as deemed appropriate, without management present.

Committee Reports

The Committee Chair shall report the Committee's activities and actions to the Board at the next regular meeting following each Committee meeting. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities, and shall provide copies of such minutes to the Board. The Committee may refer to the Board any matter that the Committee believes should be addressed by the Board.

Committee Authority and Responsibilities

The Committee's authority and responsibilities shall include the following:

1. Review and recommend to the Board on an annual basis the base salary, equity awards and incentive compensation arrangements of the Company's CEO; provided that the CEO shall not be present during any Committee deliberations or voting with respect to his or her compensation;
2. Review and approve on an annual basis the base salary, equity awards and incentive compensation arrangements of the Company's remaining named executive officers;
3. Approve and document any material exceptions or adjustments to the incentive compensation arrangements for the named executive officers;
4. Review and approve on an annual basis the performance goals and objectives with respect to compensation for the named executive officers. The Committee shall evaluate, at least annually, the CEO's performance in light of these established goals and objectives, and shall review the CEO's self-assessment and report regarding the other executive officers' performance;
5. Review and approve from time to time any employment, severance and change in control agreements and provisions as they affect the named executive officers;
6. Review from time to time the compensation plans of the Company and the Bank in light of the goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt or recommend to the Board the adoption of new incentive compensation plans, equity-based plans or other compensation plans, or amendments to existing plans;
7. Oversee the administration of, and the grant of awards pursuant to, the Company's and the Bank's equity-based compensation plans, incentive compensation plans for named executive officers and any other plans the Board of Directors has delegated to the Committee for oversight, and perform such

other duties and responsibilities as may be assigned to the Committee under the terms of such plans;

8. Ensure that the Company's and the Bank's incentive compensation arrangements for all covered employees (within the meaning of the banking agencies' Guidance on Sound Incentive Compensation Policies) are appropriately balanced, including from a risk management perspective, and do not jeopardize the safety and soundness of the Company or the Bank;
9. Review and recommend to the full Board for approval, the Company's and Bank's director compensation and fees, benefits, equity compensation grants and any other compensation-related items;
10. Review and discuss with management the Compensation Discussion and Analysis (CD&A) disclosure to appear in the Company's Annual Report on Form 10-K and/or proxy statement and based on such review and discussion, determine whether or not to recommend that the CD&A be included in the Company's Annual Report on Form 10-K and/or annual proxy statement;
11. Prepare the Compensation Committee Report for inclusion in the proxy statement;
12. Oversee actions taken by the Company to seek shareholder approval of certain compensation matters, including equity-based compensation plans, advisory votes on executive compensation and the frequency of such votes, incentive and other executive compensation plans, and amendments to such plans;
13. Review the results of any shareholder advisory vote regarding compensation plans or programs of the Company and consider whether to implement, or recommend to the Board, any changes as a result of such advisory vote;
14. Review and approve compensation-related policies of the Company and the Bank on a periodic basis; and
15. Periodically meet with management, including the chief risk officer, to review management's assessment of the risks posed to the Company by the design and implementation of various compensations programs of the Company and review and approve the implementation of appropriate risk management and controls recommended by management to avoid or mitigate any excessive risk to the Company. The Committee will conduct such reviews and provide any related narrative disclosures regarding such reviews as may be required by the SEC, NASDAQ (or any other exchange or national market on which the Company's common stock is quoted or listed for trading) and any other body with regulatory authority over the Company.

16. The Committee shall have the authority, in its sole discretion, to retain and terminate (or obtain the advice of) any compensation consultant, legal counsel or other adviser to assist in the performance of its duties, including the evaluation of executive officer compensation. Before selecting, or receiving advice from, a compensation adviser, the Committee must conduct an independence assessment by considering the following six factors:
 - A. The provision of other services to the Company by the person that employs the adviser;
 - B. The amount of fees received from the Company by the person that employs the adviser, as a percentage of the total revenue of the person that employs the adviser;
 - C. The policies and procedures of the person that employs the adviser that are designed to prevent conflicts of interest;
 - D. Any business or personal relationship of the adviser with a member of the Committee;
 - E. Any stock of the Company owned by the adviser; and
 - F. Any business or personal relationship of the adviser or the person employing the adviser with an executive officer of the Company.
17. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee, and shall have sole authority to approve the consultant, counsel or adviser's fees and the other terms and conditions of the retention. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, legal counsel or other adviser retained by the Committee.
18. The Committee shall approve and recommend to the Board for adoption any programs or policies regarding the recovery of previously paid or earned compensation later determined to have been based on inaccurate financial information as may be required by statutory or regulatory authority or as may be deemed in the best interest of the Company and its stockholders by the Committee.
19. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall also review its own performance annually, as it relates to fulfilling the responsibilities under this Charter.
20. Discharge any other duties and responsibilities delegated to the Committee from time to time.