



# Pacific Financial Corporation

March 23, 2026

## Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Pacific Financial Corporation (the “Company”) to be held on Wednesday, April 22, 2026, at 9:00 AM Pacific Time. Our 2026 annual meeting will be a virtual meeting conducted solely online via live webcast. There is no physical location for the annual meeting.

We encourage you to attend the virtual meeting. You can attend the meeting by visiting [www.virtualshareholdermeeting.com/PFLC2026](http://www.virtualshareholdermeeting.com/PFLC2026). To attend the meeting, registered shareholders will need the control number on their proxy card and all other shareholders will need to follow the instructions that accompanied their proxy statements.

The Notice of Annual Meeting of Shareholders and Proxy Statement describe the formal business to be transacted at the meeting. Directors and officers of the Company, as well as a representative of CliftonLarsonAllen LLP, our independent public accounting firm, will be present to respond to any shareholder questions.

It is important that your shares are represented at the meeting, whether or not you attend the meeting virtually and regardless of the number of shares you own. To make sure your shares are represented, we urge you to vote promptly. You may vote your shares via the Internet or by a toll-free telephone number, or by completing and mailing your proxy card. If you attend the virtual meeting as a shareholder, you may vote your shares at that time even if you have previously submitted your proxy.

We look forward to your attendance at the virtual annual meeting.

Sincerely,



Randy Roglin  
Chairman of the Board



Denise Portmann  
President & Chief Executive Officer

# NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

## Information about the Annual Meeting:

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**Date:** Wednesday, April 22, 2026      **Time:** 9:00 AM Pacific Time      **Record Date:** February 23, 2026

**Location:**  
Online at [www.virtualshareholdermeeting.com/PFLC2026](http://www.virtualshareholdermeeting.com/PFLC2026).

**Proxy materials for the Annual Meeting of Shareholders:** The accompanying Proxy Statement and proxy card were made available to you and mailed to you on or about March 23, 2026. Our Proxy Statement, proxy card and 2025 Annual Report to Shareholders are available at [www.proxyvote.com](http://www.proxyvote.com).

## Matters to be Voted On:

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**Proposal 1:** Election of Directors: To elect two directors for a three-year term ending in 2029.

**Proposal 2:** Ratify Auditor: To ratify our appointment of CliftonLarsonAllen LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026.

We will also transact other business that may properly come before the meeting, or adjournment or postponement thereof. Shareholders of record at the close of business on February 23, 2026, are entitled to notice of and to vote at the Annual Meeting. As of this notice, we are not aware of any other business to come before the Annual Meeting.

## Your Vote is Important

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**To ensure your shares are represented at the meeting, please vote via the Internet or telephone or sign, date and mail your proxy card which is solicited by the Board of Directors. The proxy will not be used if you attend and vote at the annual meeting. Regardless of the number of shares you own, your vote is very important.**

**Registered Shareholders:** You are a shareholder of record if your shares of Pacific common stock are held in your name. Your shares of Pacific common stock can be voted by proxy or if you are present virtually as a shareholder at the Annual Meeting. ***To ensure your representation at the Annual Meeting, we recommend you vote by proxy even if you plan to attend the virtual meeting. To join as a shareholder or to vote via phone or the internet, you will need the Control Number provided on your proxy card.*** If you participate as a "Shareholder", you will be able to vote your shares and ask questions during the virtual meeting.

**Beneficial Owners of Shares Held in Street Name:** If you are a beneficial owner of Pacific common stock, held by a broker, bank or other nominees (i.e., in street name), you must register in advance to fully participate in the meeting and obtain a unique Control Number. See the section titled "What If My Share(s) are Held in "Street Name", by a Broker?" You may participate as a "Guest" without having a unique Control Number, but you will not have the option to vote your shares or ask questions during the virtual meeting. To fully participate in the meeting as a "Shareholder", you must obtain a legal proxy with a unique control number from your broker or agent.

By Order of the Board of Directors



Darla R. Johnson, Corporate Secretary  
Aberdeen, Washington

March 23, 2026

# PROXY STATEMENT

## PACIFIC FINANCIAL CORPORATION

1216 Skyview Drive  
Aberdeen, WA 98520

The Board of Directors of Pacific Financial Corporation is using this Proxy Statement to solicit proxies from our shareholders for use at the Annual Meeting of Shareholders. The information in this proxy statement relates to Pacific Financial Corporation and its wholly-owned subsidiary Bank of the Pacific (the “Bank”). Pacific Financial Corporation may also be referred to as “Pacific” or the “Company”. References to “we”, “us” and “our” refer to Pacific, and as the context requires, the Bank.

### Information about the Annual Meeting:

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<b>Date:</b> Wednesday, April 22, 2026	<b>Time:</b> 9:00 AM Pacific Time	<b>Record Date:</b> February 23, 2026
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**Location:**  
Online at [www.virtualshareholdermeeting.com/PFLC2026](http://www.virtualshareholdermeeting.com/PFLC2026). There is no physical location for the meeting.

**Proxy materials for the Annual Meeting of Shareholders:** The accompanying Proxy Statement and proxy card were made available to you and mailed to you on or about March 23, 2026. Our Proxy Statement, proxy card and 2025 Annual Report to Shareholders are available at [www.proxyvote.com](http://www.proxyvote.com).

Online check-in will start approximately 30 minutes before the start of the Annual Meeting, at approximately 8:30 AM Pacific Time on April 22, 2026. To attend the meeting, registered shareholders will need the Control Number from their proxy card and all other shareholders will need to obtain a legal proxy from the broker or agent that holds those shares.

### Proxy Materials for the Annual Meeting of Shareholders

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This Proxy Statement, enclosed proxy card and Annual Report are being mailed to shareholders on or about March 23, 2026. In addition, our Proxy Statement, proxy card and 2025 Annual Report to Shareholders are available at [www.proxyvote.com](http://www.proxyvote.com).

### Matters to be Voted on:

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At the meeting, you will be asked to consider and vote on:

- Proposal 1: Election of Directors: To elect two directors for a three-year term ending in 2029.
- Proposal 2: Ratify Auditor: To ratify our appointment of CliftonLarsonAllen LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026.

We will also transact other business that may properly come before the meeting, or adjournment or postponement thereof. Shareholders of record at the close of business on February 23, 2026, are entitled to notice of and to vote at the annual meeting. As of this notice, we are not aware of any other business to come before the annual meeting.

### How to Vote:

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To ensure that your shares are represented at the meeting, please take the time to submit your vote in one of the following ways:

- Internet: Go to [www.proxyvote.com](http://www.proxyvote.com) or scan the QR Barcode on your proxy card
- Telephone: Call 1 (800) 690-6903
- Mail: Sign, date and mail your proxy card

# Annual Meeting Frequently Asked Questions

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## **Who is Entitled to Vote?**

We have fixed the close of business on February 23, 2026, as the record date for shareholders entitled to notice of and to vote at our annual meeting. You are entitled to one vote for each share of Pacific common stock you own. On February 23, 2026, there were 10,022,796 shares of Pacific common stock outstanding and entitled to vote at the annual meeting.

## **How do I Vote at the Annual Meeting as a Shareholder of Record?**

Proxies are solicited to provide all shareholders as of the record date an opportunity to vote on matters scheduled for the annual meeting and described in these materials. You are a shareholder of record if your share(s) of Pacific common stock are held in your name. If you are a beneficial owner of Pacific common stock, held by a broker, bank or other nominees (i.e. in street name), please see the instructions below under “What if My Share(s) are Held in “Street Name” by a Broker?”

Shares of Pacific common stock can only be voted if the shareholder is present virtually or by proxy at the annual meeting. To ensure your representation at the annual meeting, we recommend you vote by proxy even if you plan to attend the virtual annual meeting. You can always change your vote at the meeting if you are a shareholder of record and have joined the meetings as “shareholder”. To join as a shareholder, you will need the Control number provided on your proxy card.

***Shareholders of Record:*** Shareholders of record may vote by proxy via the internal or a toll-free telephone number, or by mailing a proxy card.

***Internet.*** Go to [www.proxyvote.com](http://www.proxyvote.com) to transmit a proxy to vote your shares. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. We must receive votes submitted before the Annual Meeting via the Internet by 11:59 PM Eastern Time April 21, 2026.

***Telephone:*** Call 1-800-690-6903 using any touch-tone telephone to transmit your voting instructions up until 11:59 PM Eastern Time April 21, 2026. Have your proxy card in hand when you call and then follow the instructions.

***Proxy Card.*** Mark, sign and date your proxy card and return it in the postage-paid envelope provided or to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. Proxy cards submitted by mail must be received by the time of the Annual Meeting in order for your shares to be voted.

***Voting at the Annual Meeting.*** Vote online at the Annual Meeting of Shareholders of Pacific Financial Corporation at [www.virtualshareholdermeeting.com/PFLC2026](http://www.virtualshareholdermeeting.com/PFLC2026). To join as a shareholder, you will need the Control Number provided on your proxy card.

Voting instructions are included on the Notice of the Annual Meeting of Shareholders. Share(s) of Pacific common stock represented by properly executed proxy will be executed by the persons named on the form of proxy in accordance with the shareholder’s instructions. When properly executed proxies are returned to us with no specific instruction as to how to vote at the annual meeting, the proxies will be voted in accordance with the Board’s recommended vote on each proposal as described in this Proxy Statement. If any other matters are properly presented at the annual meeting for action, the persons named in the form of proxy and acting thereunder will have the discretion to vote on those matters in accordance with their best judgment. We do not currently expect that any other matters will be properly presented for action at the annual meeting.

You may receive more than one proxy depending on how your shares are held. For example, you may hold some shares individually, some jointly with your spouse and some in trust for your children. In this case, you will receive three separate proxies to vote.

#### **What if My Shares are Held in “Street Name” by a Broker?**

If you are the beneficial owner of shares held in “street name”, i.e. your shares are held in a stock brokerage account or by a bank or other nominee, the nominee, as the record holder of the shares is required to vote the shares in accordance with your instructions. Most beneficial owners, whose stock is held in “street name,” will receive instructions for granting proxies from their banks, brokers or other agents, rather than a proxy card. Please follow your broker’s or other nominee’s directions on how to vote your shares. Note that if you do not provide voting instructions to your broker or other nominee, your shares will not be voted with respect to the election of directors (a so called, “broker non-vote”), but your nominee may vote your shares in its discretion on the proposal to ratify our appointment of CliftonLarsonAllen LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026.

Voting at the Annual Meeting. Shares held beneficially in “street name” may be voted by you online at the Annual Meeting only if you obtain a legal proxy from the broker or other agent that holds your shares, giving you the right to vote the shares. Have the legal proxy available when you access the virtual meeting.

#### **How Many Shares Must Be Present to Hold the Meeting?**

A quorum must be present at the meeting for any business to be conducted. The presence, via live webcast or by proxy, of at least a majority of the total number of outstanding shares of Pacific common stock is necessary to constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be included in the calculation of number of shares considered to be present at the meeting.

Shareholders of record as of the close of business on February 23, 2026, (the “Record Date”) are entitled to one vote for each share of common stock of the Company then held by each shareholder. As of the Record Date, the Company had 10,022,796 shares of common stock issued and outstanding and eligible to vote at the Annual Meeting.

#### **What if a Quorum Is Not Present at the Meeting?**

If a quorum is not present at the scheduled time of the meeting, a majority of the shareholders present virtually or represented by proxy may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time adjournment is taken and no other notice will be given unless a new record date for the meeting is set. An adjournment will have no effect on the business that may be conducted at the meeting.

#### **Who Solicits the Proxy?**

The proxy is solicited by and on behalf of the Board of Directors of the Company, with the cost of solicitation to be paid by the Company. In addition to mailing proxy materials, the Company’s directors, officers and employees may solicit proxies in person, by telephone or otherwise. When a properly signed and dated proxy card is returned, the shares represented by the proxy will be voted in accordance with the instructions on the proxy card. Where no instructions are indicated, properly signed and dated proxies will be voted in accordance with the Board’s recommended vote on each proposal described in this Proxy Statement.

#### **May I Revoke My Proxy?**

If you are a registered shareholder, you may revoke your proxy by:

- Submitting a new proxy with a later date;
- Revoking your vote via [proxyvote.com](https://proxyvote.com);
- Notifying Pacific’s Corporate Secretary in writing or via email at [drjohnson@bankofthepacific.com](mailto:drjohnson@bankofthepacific.com) before the annual meeting; or

- Voting at the virtual annual meeting. Attendance via live webcast at the Annual Meeting will not automatically revoke a proxy. If you plan to attend the virtual annual meeting and vote, you must join the meeting as a “Shareholder”. If you are a shareholder of record, you will need the Control Number on your proxy card.

If you are a beneficial owner of shares in “street name” by a broker, bank or other nominee, you may revoke your proxy by:

- Contacting the broker, bank or other nominee holding the shares.
- Voting at the virtual annual meeting with a legal proxy. Attendance via live webcast at the Annual Meeting will not automatically revoke a proxy. A legal proxy can be obtained by contacting your broker. It is recommended that beneficial owners reach out for a legal proxy at least 2 weeks prior to the meeting date.

#### **May I Ask A Question During the Virtual Meeting?**

Yes. There will be a question and answer session following the formal portion of the meeting during which we will answer questions pertinent to our business as time allows. Questions of a similar nature may be grouped together and answered to avoid repetition. The virtual meeting platform will allow shareholders to ask questions, provided the shareholder is logged into the meeting as a “shareholder”. Shareholders entering the virtual meeting as “guests” will not be able to ask questions. To ask a question during the meeting, registered shareholders will need the Control Number listed on their proxy card and other shareholders will need to register in advance to obtain a unique Control Number as described in the Notice of Annual Meeting of Shareholders and in the question above titled “What If My Shares Are Held in “Street Name” by a Broker?

#### **What if I Have Trouble Accessing the Annual Meeting Virtually?**

The virtual meeting platform is fully supported across Microsoft Edge, Firefox, Chrome and Safari browsers and devices running current versions of applicable software. Please note that Internet Explorer is not a supported browser. Participants should ensure that they have a strong internet connection wherever they intend to participate in the meeting. We encourage you to access the meeting prior to the start time. If you need assistance, please call the technical support telephone numbers that will be referenced on the login page of the virtual shareholder meeting site for technical assistance.

## SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE MANAGEMENT

The following table sets forth, as of February 23, 2026, information as to the shares of Pacific common stock beneficially owned by each director and nominee for director, and by each executive officer.

Name	Shares	Restricted Stock Awards or Options (1)	Total Beneficial Ownership	Percent of Common Stock Outstanding
<b><u>Directors</u></b>				
Douglas N. Biddle	32,002	-	32,002	*
Dwayne M. Carter	33,481	-	33,481	*
Peter R. Dworkin	1,937	-	1,937	
Benjamin R. Ertischek	2,500	-	2,500	*
Kristi A. Gundersen	9,282	-	9,282	*
Randy W. Rognlin	721,206	-	721,206	7.2%
Douglas M. Schermer	240,734	-	240,734	2.4%
Daniel J. Tupper	7,882	-	7,882	*
		-	-	
<b><u>Executive Officers</u></b>				
Walker G. Evans	9,381	10,000	19,381	*
Daniel E. Kuenzi	9,978	10,000	19,978	*
Terri L. McKinnis	-	4,000	4,000	
Denise J. Portmann (2)	75,225	20,000	95,225	*
Carla F. Tucker	3,824	10,000	13,824	*
Directors and Executive Officer as a group (13 persons)	1,147,432	54,000	1,201,432	11.9%

\* Less than 1% of shares outstanding.

(1) The amounts shown above include shares of Pacific common stock that the named individuals have the right to acquire within 60 days after February 23, 2026, through the exercise of stock options granted or vesting of restricted stock units pursuant to the Company's stock-based compensation plans.

(2) Ms. Portmann is also a director of the Company.

## PROPOSAL NO. 1: ELECTION OF DIRECTORS

The Company’s Board of Directors (the “Board”) currently consists of 9 directors. Director Dwayne M. Carter will not be standing for re-election as he is retiring at the end of his term in April 2026. At which time, by resolution of the Board, the Board will be reduced to 8 directors. The Company’s Articles of Incorporation provide that the Board will consist of not less than five and not more than 20 directors, with the exact number determined from time to time by resolution of the Board. The Articles of Incorporation also provide that directors will be divided into three classes as equally as possible, which have been designated as Class A, B and C, to serve staggered three-year terms. Each director on the Board also serves as a director on the Board of Directors of the Bank.

The table below sets forth information regarding each director of Pacific, including his or her age, position and term of office. Each nominee currently serves as a director and has consented to being named in this Proxy Statement and has agreed to serve if elected. If a nominee is unable to stand for election, the Board may either reduce the number of directors to be elected or select a substitute nominee. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute as the Board may recommend. At this time, we are not aware of any reasons why a nominee might be unable to serve if elected.

**The Board of Directors recommends a vote “FOR” the election of Randy W. Rognlin and Daniel J. Tupper each for a three-year term.**

### **Voting for Directors:**

The two nominees for election as directors at the Annual Meeting who receive the highest number of affirmative votes will be elected. Shareholders are not permitted to cumulate their votes for the election of directors. Votes may be cast for or withheld from each individual nominee. Votes that are withheld and broker non-votes will have no effect on the outcome of the election because directors will be elected by a plurality of votes cast. The proxies solicited by the Board will be voted for the election of Randy W. Rognlin and Daniel J. Tupper unless marked to withhold a vote as to one or more nominees.

Name	Age as of February 23, 2026	Year First Elected or Appointed	Term to Expire	Class
<b>Board Nominees</b>				
Randy W. Rognlin	69	2001	2029	C
Daniel J. Tupper	52	2014	2029	C
<b>Continuing Directors</b>				
Peter R. Dworkin	51	2024	2028	B
Kristi A. Gundersen	65	2015	2028	B
Douglas M. Schermer	64	2001	2028	B
Douglas N. Biddle	72	2019	2027	A
Benjamin R. Ertischek	54	2023	2027	A
Denise J. Portmann	52	2014	2027	A

***Business Experience of Nominees for Re-election***

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**Randy W. Rognlin**

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**Director Since:** 2001

**Committees:**  
Board of Directors, Chair  
Compensation, Nominating and Governance

Randy W. Rognlin is the President and co-owner of Rognlins, Inc., a heavy civil general construction company. He originally joined Rognlins Inc. in 1975 where he has held several different management positions. Mr. Rognlin is also President and owner of Northwest Rock Inc., a mining, sand, gravel and aggregate supply company. He is a graduate of the Oregon Bankers Association Directors College.

**Daniel J. Tupper**

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**Director Since:** 2014

**Committees:**  
Asset Liability, Chair  
Compensation, Nominating and Governance  
Information Technology

Daniel J. Tupper served as Vice President and General Manager of Crown Distributing Co. of Aberdeen, Inc. from 2000 until the sale of the company in 2025. Prior to that, Mr. Tupper held a variety of positions of increasing responsibility in the beverage wholesaling industry. He also served as Secretary and member of the Executive Steering Committee of the Washington Beer and Wine Distributors Association for 15 years. Mr. Tupper graduated from the University of Washington with a B.A. degree in Business Administration, with a concentration in marketing and human resources.

***Business Experience of Continuing Directors***

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**Peter R. Dworkin**

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**Director Since:** 2024

**Committees:**  
Audit  
Compliance and CRA

Peter R. Dworkin is a highly regarded attorney residing in Bellingham where he practices law and represents clients in the various courts and counties in northwest Washington. He brings more than 25 years of legal experience to the board, with a solid background in real estate contracts, administrative land use issues as well as commercial and civil litigation and criminal prosecution. Peter is deeply grounded in Whatcom County and the Bellingham community where he served for 14 years on the board of Whatcom County Domestic Violence and Sexual Assault Services with two separate terms as board president. Mr. Dworkin earned his B.A in Political Science from Western Washington University in 1996, and his Juris Doctorate in Law from the University of Oregon in 2000 with honors (Order of the Coif).

**Kristi A. Gundersen**

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**Director Since:** 2015

**Committees:**  
Compliance and CRA, Chair  
Audit

Kristi A. Gundersen is a partner of Knutzen Farms, LP, a family-owned business founded in 1894 and headquartered in Washington’s Skagit Valley. Ms. Gundersen serves as the Chief Financial Officer and heads up the Sales Division for Knutzen Farms. This diversified agribusiness produces a variety of potatoes, as well as wheat,

and barley, and is operated by the fifth and sixth generations of the Knutzen family. In addition, she is a member of the Marketing and Industrial Affairs Board for the Washington State Potato Commission. Ms. Gundersen earned her B.S. degree in Economics at Washington State University.

### Douglas M. Schermer

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**Director Since:** 2001

- Committees:**  
Board of Director, Vice-Chairman  
Compensation, Nominating and Governance, Chair  
Asset Liability  
Information Technology

Douglas M. Schermer is the owner and President of Wishkah Rock Products and of Schermer Construction, Inc., a heavy civil contractor specializing in constructing and maintaining roads for the timber industry. Schermer Construction was founded in 1989 and has grown to 30 employees. He also has various business interests including investments in commercial property. Mr. Schermer earned a B.S. in Forest Engineering from Oregon State University and is a graduate of the Oregon Bankers Association Directors College.

### Douglas N. Biddle

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**Director Since:** 2019

- Committees:**  
Audit, Chair  
Asset Liability

Douglas N. Biddle served as Executive Vice President & Chief Financial Officer of the Company and the Bank from February 2014 until August 2019 and was appointed a director on the Board upon his retirement in August 2019. Prior to that Mr. Biddle served as Executive Vice President & Chief Financial Officer of PremierWest Bancorp and its subsidiary, PremierWest Bank from 2011 until 2013. From 2005 to 2010 Mr. Biddle served as President and Chief Executive Officer of Plumas Bancorp, a California community bank. During his 20-year career at Plumas Bancorp, Mr. Biddle served in increasingly senior positions including Chief Administrative Officer, Chief Financial Officer and Chief Operating Officer. Mr. Biddle is a Certified Management Accountant (inactive) and a former commissioned National Bank Examiner with the Office of the Comptroller of the Currency. He earned a B.A. degree in Political Science from the University of California—Davis, and an MBA from University of California at Los Angeles.

### Benjamin R. Ertischek

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**Director Since:** 2023

- Committees:**  
Information Technology, Chair  
Audit  
Compensation, Nominating and Governance

Benjamin R. Ertischek is the Chief Financial Officer of EOS Worldwide, and previously served as principal consultant with E78 Partners, Co-Owner and CFO for Premium Organics, LLC, CFO/SVP for Gridworks IC, CEO of Cheker Consulting, and several other leading communications and technology/software firms. He is an executive with more than 20 years of responsibility for leadership, strategy, finance, accounting, IT systems and applications, product and business development, and entrepreneurship. Mr. Ertischek holds a B.A. in Political Science and Economics from Princeton University and an MBA in Finance and Accounting from New York University’s Leonard N. Stern School of Business.

## Denise J. Portmann

**Director Since:** 2014

**Committees:**

Serves as President and Chief Executive of the Company and the Bank

Denise J. Portmann was named President and Chief Executive Officer of the Bank in January 2014. Previously, Ms. Portmann was Executive Vice President and Chief Financial Officer of the Bank for ten years and also served as Treasurer, Senior Vice President, and Controller. Prior to joining the Bank, she served as Chief Financial Officer for Harbor Community Bank from 1999 to 2001 and was employed in the public accounting sector for five years, specializing in auditing financial institutions. She serves on the board of the Community Bankers of Washington and Oregon Bankers Association. She previously served on the Federal Reserve Bank of San Francisco's Community Depository Institutions Advisory Council and the ICBA Federal Delegate Board from 2023 to 2025. Denise holds a B.S. degree in Accounting from Central Washington University.

## Director Compensation

The following table shows the compensation paid to Pacific's directors for their service for the year ended December 31, 2025.

<b>Name</b>	<b>Total Fees Paid in Cash (\$)</b>
Douglas N. Biddle	40,850
Dwayne M. Carter	39,650
Peter R. Dworkin	39,850
Benjamin R. Ertischek	39,600
Kristi A. Gundersen	39,700
Denise J. Portmann (1)	34,950
Randy W. Roglin	45,800
Douglas M. Schermer	40,150
Daniel J. Tupper	40,050

(1) Total reflects compensation paid for her service as a director.

### **Director Compensation Highlights**

Director compensation is subject to periodic review by the Compensation Committee and may be revised from time to time at the discretion of the committee or full Board. Following a review of director compensation supported by peer comparisons, the annual retainer and committee fees were increased effective July 2024. The Chairman of the Board receives an annual retainer of \$36,000 plus \$900 per meeting attended. All other Board directors receive an annual director cash retainer of \$30,000 plus \$550 per Board meeting attended. The Audit Committee Chair receives \$800 per committee meeting attended, the Compensation Committee Chair receives \$650 per committee meeting attended, and all other committee chairs receive \$500 per meeting attended. Audit Committee members receive \$550 per meeting attended and all other committee members receive \$400 per committee meeting attended.

## Board Committees

The Board has established Audit, Asset-Liability, Information Technology, Community Reinvestment Act and Compliance, and Compensation, Governance and Nominating Committees and has adopted charters for each of these committees. Each committee charter is available on our Investor Relations website under the "Governance"

tab. We do not intend to incorporate any information from our website into this Proxy Statement by making this or other references to the site in our Proxy Statement.

The following table shows the current membership of the Board and the number of meetings held by each committee in 2025. The Board annually reviews committee membership and periodically rotates committee chairs.

	<b>Audit</b>	<b>Asset Liability</b>	<b>Information Technology</b>	<b>Compliance &amp; CRA</b>	<b>Compensation, Nominating &amp; Governance</b>
Douglas N. Biddle	Chair	X			
Dwayne M. Carter			X	X	X
Peter R. Dworkin	X			X	
Benjamin R. Ertischek	X		Chair		X
Kristi Gundersen	X			Chair	
Denise J. Portmann					
Randy W. Rognlin					X
Douglas M. Schermer		X	X		Chair
Daniel J. Tupper		Chair	X		X
Number of times committee met in 2025	4	4	3	4	3

#### **Audit Committee**

The Board has delegated oversight to the Audit Committee for management’s fulfillment of its financial reporting responsibilities and maintenance of an appropriate internal control system. The committee has the sole authority to appoint or replace our independent registered public accounting firm and oversees the activities of the internal audit department. The Audit Committee also assists the Board in fulfilling its oversight responsibilities relating to the quality and integrity of financial reports and other financial information and the Company’s systems of internal accounting and financial controls; the oversight and review of the independent auditors performance; overseeing compliance with the Board’s policies regarding executive officer and director conflicts of interest; establishing and overseeing compliance with policies to prohibit unethical, questionable, or other illegal activities by officers and employees of the Company, including performance of certain oversight functions under the Company’s Code of Business Ethics Policy.

#### **Asset-Liability Committee**

The Board has delegated oversight to the Asset-Liability Committee (ALCO) for the Bank’s interest rate risk and liquidity management framework. The Committee is responsible for establishing and reviewing the Asset/Liability Management and Liquidity Policies of the Company and evaluating that actions taken are in compliance with these policies.

#### **Information Technology (“IT”) Committee**

The Board has delegated oversight of the Bank’s management of information and cybersecurity risks to the IT Committee. The Bank manages cybersecurity risks through our Information Security Program and other related polices and standards. The Committee oversees information technology and cybersecurity risk management by reviewing various policies and programs to ensure a sound cybersecurity risk management and control framework have been established and that risk issues and events are reported to the Committee or Board. This oversight includes the review of audits report, management responses to findings and status reports relating to outstanding findings. The Committee also reviews actions taken by management to determine compliance with approved policies.

### **Compliance and Community Reinvestment Act (“CRA”) Committee**

Under its Charter, the Compliance and CRA Committee has delegated authority to assist the Board in fulfilling its oversight responsibilities with respect to the Bank’s compliance with various regulations including CRA. The Compliance and CRA Committee has the authority to conduct investigations appropriate to fulfilling its responsibilities.

### **Compensation, Nominating and Governance Committee**

The Compensation, Nominating and Governance Committee (the “Compensation Committee”) is charged with carrying out the Board’s overall responsibilities relating to compensation of the Company’s executive officers and directors and the identification and recommended nomination of qualified board members or other recommended board changes to the full Board.

Compensation: The committee’s duties include the review of compensation policies for directors and executive officers and oversees all incentive compensation programs and the succession plan for key officers, as well as recommending to the Board the annual compensation (including salary, incentive and equity awards) for the Chief Executive Officer. The Compensation Committee also reviews and helps determine the performance goals established for the Company’s incentive compensation programs. The Compensation Committee has authority under its Charter to retain outside compensation consultants and other advisors.

The committee meets outside the presence of the CEO to discuss and to vote on CEO compensation. The CEO makes recommendations to the committee regarding the compensation of other executive officers.

Board Nominees and Composition: The committee is also responsible for the identification of individuals qualified to become members of the Board; making recommendations to the Board for the slate of director nominees to stand for election by shareholders at the annual shareholder meetings; recommending directors to be elected by the Board to fill any vacancies; developing and recommending to the Board the corporate governance practices of the Board; oversee compliance with the Board’s policies regarding ethical conduct and conflicts of interest of directors; and handling other matters as the Board or the Compensation Committee Chair deem appropriate.

The Committee periodically evaluates the Board’s composition to determine what attributes are desirable in new director candidates. The Compensation Committee looks for candidates who meet the Company’s strategic needs, possess the highest personal values, judgment and integrity, have the time and the willingness to understand the regulatory and policy environment in which the Company and the Bank operate, and have diverse experience in business, finance, and other areas.

The Committee will consider director candidates recommended by shareholders. Potential nominees are evaluated by the same criteria as other candidates considered by the Compensation Committee, based on the needs of the Board at the time. Shareholders may make recommendations by sending a written recommendation, including a description of the candidate’s qualifications and evidence of share ownership, to Douglas M. Schermer, Chair, Compensation, Nominating and Governance Committee, Pacific Financial Corporation, 1216 Skyview Drive, Aberdeen, WA 98520.

# CORPORATE GOVERNANCE

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Our Board is committed to maintaining an effective corporate governance framework and acts in a manner that it believes best serves the interest of the Company, its employees, customers, shareholders, and communities.

## **Corporate Governance Guidelines**

The Corporate Governance Guidelines outline Pacific's governance framework by addressing such items as responsibilities of directors, adherence to conflict-of-interest rules, the selection process for director candidates, required meeting attendance, retirement age of directors, succession planning, and other important governance matters. Certain corporate governance guidelines are available on our Investor Relations website under the "Governance" tab.

## **Board of Directors**

The Board conducts its business through Board meetings and through its committees. During the year ended December 31, 2025, the Board held ten meetings. As part of the board meeting, the directors meet in executive session outside of the presence of management. Each director attended more than 75% of the total meetings of the Board and committees on which that director served during this period. Directors are expected to attend the annual meeting of shareholders. All directors attended last year's meeting.

## **Director Independence**

The Board has determined that each director, other than Ms. Portmann, is "independent" applying Rule 5605(a) (2) of the NASDAQ listing standards for this purpose. There are no family relationships among the directors and executive officers of the Company.

## **Leadership Structure**

The positions of Board Chair and President and Chief Executive Officer are held separately by two individuals with an independent director serving as the Chairman of the Board. The Board believes that separating the roles of Chairman and Chief Executive Officer is appropriate for the Company and its shareholders as it provides the Board with capable management and independence from the Bank's management, as well as in establishing priorities and the strategic direction of the Company and fulfilling the Board's oversight function.

## **Board Risk Oversight**

The Board recognizes that an effective risk management program requires a high level of cooperation between the Board and senior management. Nonetheless, the Board acknowledges it has ultimate responsibility and authority for overseeing risk management. The Board assesses risks facing the Company and Bank of the Pacific. The Board administers its risk oversight function at the full board level or through a division of responsibility within its committee structure, with each board committee being responsible for overseeing risk within its area of responsibility. These risks include strategic, credit, liquidity, interest rate, compliance, operational, legal, cybersecurity and reputational risk.

Directors keep themselves informed of the activities and condition of the Company and of the risk environment in which it operates by regularly attending Board and assigned Board committee meetings, and by review of meeting materials, auditors' findings and recommendations, and supervisory communications. Directors stay abreast of general industry trends and any statutory and regulatory developments pertinent to the Company and the Bank by periodic briefings by senior management, counsel, auditors or other consultants, and by formal director education.

The Board ensures that all significant risk-taking activities are covered by written policies that are communicated to appropriate employees. Specific policies cover material credit, interest rate, liquidity, operational, legal, cybersecurity and reputational risks. The policies are formulated to advance the Company's business plans in a

manner consistent with safe and sound practices. The Board charges senior management with monitoring all such policies in order to conform such policies to changes in laws and regulations, economic conditions, and operating environment. The policies are implemented by senior management who develop and maintain procedures, including a system of internal controls, designed to foster sound practices, to comply with laws and regulations, and to protect against external crimes and internal fraud and abuse.

Management regularly provides the Board and its various committees with a significant amount of information regarding a wide variety of matters impacting business operations. These reports present information in a form meaningful to members of the Board, who recognize that the level of detail and frequency of individual management reports will vary with the nature of risk and conditions. The Board and Board committees often request additional information with respect to issues that may involve strategic risk to the Company's operations. The Board has established a framework for independent third-party review and testing of compliance with policies and procedures, applicable laws and regulations, and the accuracy of information provided by senior management. This framework includes an internal auditor function. In addition, an external audit of the Company's financial statements is performed annually. The Audit Committee evaluates the findings of various independent reviews with management and monitors efforts to resolve any identified issues. The Audit Committee provides regular reports of its activities to the Board.

The Board also reviews reports of examination or other supervisory activity, and any other material correspondence received from regulators. Findings and recommendations, if any, are carefully reviewed, and progress in addressing such matters is monitored.

#### **Insider Trading Policy**

The Board of Directors has adopted a policy governing trading in Pacific's securities by its directors and officers. This wide-ranging policy covers permissible timing of trades, as well as prohibitions of certain types of trades.

#### **Code of Ethics**

The Company has adopted a code of ethics for our directors, executive officers and all other employees. The codes of ethics require individuals to maintain the highest standards of professional conduct. The Code of Ethics is available on our Investor Relations website under the "Governance" tab.

### **RELATED PERSON TRANSACTIONS**

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Our Company has followed a policy of originating loans to our executive officers and directors that fully comply with all applicable federal banking regulations. All loans made to our executive officers and directors are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with non-director and non-employee customers. The loans do not involve more than normal risk of collectability or present other unfavorable features. Each director and executive officer discloses to us all related interests on an annual basis. Deposits and loan accounts of directors, executive officers and related interested parties are then coded in our systems.

From time to time, the Bank may have business dealing with companies in which an insider or affiliate has a financial interest. All such dealings shall be conducted in conformity with the Bank's Code of Business Ethics. The items and conditions, must be not less favorable than those offered to or from others in the normal course of business. If there is a reason to believe that a possible conflict of interest exists, it is the responsibility of the director to report this to the Board.

## EXECUTIVE OFFICERS

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The following summary sets forth the age, position, and business experience of the Company's executive officers who are not also directors or director nominees of the Company.

**Carla F. Tucker** (62) joined the Bank in September 2019 as Executive Vice-President and Chief Financial Officer. Ms. Tucker brings over 36 years of demonstrated leadership and accounting experience in the banking industry. Prior to joining Bank of the Pacific, Carla served over 15 years at Skagit Bank as Executive Vice-President and Chief Financial Officer overseeing all finance and accounting, marketing, facilities and risk management functions of the organization. In addition, she served as Vice-President and Controller at InterWest Bank for over ten years. Ms. Tucker holds a B.S. in Accounting from Northeast Missouri State University (Truman), Kirksville, MO graduating Summa Cum Laude. She is also an honors graduate of Pacific Coast Banking School in Seattle, WA and is a Certified Public Accountant.

**Daniel E. Kuenzi** (61) started his employment with the Bank in May 2017 as Executive Vice President and Chief Credit Officer. Mr. Kuenzi has been employed in the commercial banking industry for over 37 years from early positions as a commercial banker working directly with business clients and progressing into management of commercial banking teams, and more recently in senior management positions in sales and credit oversight. Formerly with HomeStreet Bank in Yakima, Washington, Mr. Kuenzi served as Senior Vice President/Eastern Washington Regional President, overseeing four commercial banking teams located from Yakima to Spokane, Washington. He was also Executive Vice President & Chief Credit Officer with Whidbey Island Bank and has held other progressively responsible positions with US Bank, Washington Mutual, and Wells Fargo Bank throughout the Pacific Northwest.

**Terri L. McKinnis** (63) joined the Bank in 2023 and was formerly with the Commerce Bank of Oregon, a division of Zions Bancorporation, N.A. serving as SVP, Chief Operating Officer. Terri has over four decades of banking experience, with half that time served in senior management positions in bank operations and treasury management with oversight responsibilities of bankcard, call center, training, information technology, and human resources. Ms. McKinnis holds a University of Washington Foster School of Business Executive Certificate and is an honors graduate of the Pacific Coast Banking School ("PCBS"), a prestigious graduate school of banking. Ms. McKinnis currently serves on the board of directors of the Oregon Bankers Association's (OBA) wholly owned subsidiary, Synergy by Association, Inc.

**Walker G. Evans** (66) has managed the Bank's Commercial Banking division since 2012 with added oversight of Residential Lending beginning in 2019 until closure of the division in 2024. He joined the Bank in 2004 where he served first as a regional manager for all retail and commercial lines of business in the Bank's northern market. Prior to Bank of the Pacific, Mr. Evans held increasingly responsible managerial positions in commercial banking at Security Pacific, West One Bank, and Washington Mutual, located throughout the greater Puget Sound market, over a span of 15 years.

## PROPOSAL NO. 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board has appointed CliftonLarsonAllen LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2026, and that appointment is being submitted to shareholders for ratification. Although the ratification is not required to be submitted to a vote of the shareholders by the Company's charter documents or applicable law, the Board is submitting the appointment of CliftonLarsonAllen LLP to our shareholders for ratification as a matter of good corporate practice. Even if the appointment is ratified, the Audit Committee in its discretion may appoint a different registered public accounting firm for the year ended December 31, 2026. Provided that a quorum is present, the selection of CliftonLarsonAllen LLP as the Company's independent auditors will be ratified if the votes cast in favor of the proposal exceed the votes cast against it at the Annual Meeting.

CliftonLarsonAllen LLP has served as the Company's independent registered public accounting firm since 2019 and performed the audit of the consolidated financial statements of the Company for the years ended December 31, 2025 and December 31, 2024. A representative is expected to be present at the Annual Meeting to respond to appropriate questions from shareholders and will have the opportunity to make a statement if he or she so desires.

**The Board recommends that shareholders vote in favor of ratification of the appointment of CliftonLarsonAllen LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026.**

Audit Fees represent the aggregate fees, including expenses, for professional services rendered for the audit of the Company's annual consolidated financial statements, and advice and planning, as applicable. All fees and services of the Company's independent auditors are reviewed and approved at a meeting of the Audit Committee prior to the engagement. The Audit Committee pre-approved 100% of the fees described above. The following table sets for the aggregate fees bills paid to CliftonLarsonAllen LLP for the fiscal years ended December 31, 2025 and December 31, 2024 were as follows:

	2025	2024
Audit Fees	\$ 111,168	\$ 128,717

### Shareholder Proposals

Submissions of shareholder proposals and director nominations are governed by the Company's Bylaws, a copy of which is available upon request to Pacific Financial Corporation, Attention: Darla Johnson, Corporate Secretary, 1216 Skyview Drive, Aberdeen, Washington 98520.

### Shareholder Communications with the Board

The Board encourages shareholders to send communications directly to the Board. Communications should be mailed to Randy W. Rognlin, Chairman, Board of Directors, Pacific Financial Corporation, 1216 Skyview Drive, Aberdeen, WA 98520. Communications may also be directed to individual directors at the same address. Your communications should indicate that you are a shareholder.