

Bank of Hawaii Corporation
Audit Committee Charter

April 29, 2005

Statement of Policy

The Audit Committee (the “Committee”) will provide assistance to the Board of Directors (the “Board”) in fulfilling their oversight responsibility to the shareholders of Bank of Hawaii Corporation (the “Company”). The purpose of the Committee will be to:

- Oversee the quality and integrity of regulatory and financial accounting and reporting and credit risk management;
- Oversee the Company’s compliance with legal and regulatory requirements;
- Oversee the independent registered public account’s qualifications and independence;
- Oversee the performance of the Company’s internal audit function and independent auditors; and
- Prepare the Committee report that the rules of the Securities and Exchange Commission (the “SEC”) require to be included in the Company’s annual proxy statement.

In fulfilling its purpose, it is the responsibility of the Committee to maintain free and open communications between the Committee, independent auditors, internal auditors and management of the Company. In discharging its oversight role, the Committee shall be empowered to conduct or authorize investigations into any matter within the scope of its responsibilities. The Committee may employ one or more independent auditors, outside counsel or other experts as it deems appropriate, at the Company’s expense. The Committee shall have full access to the independent auditors and all records, facilities or personnel of the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors, experts hired by the Committee, and necessary or appropriate Committee expenses.

Organization

The Committee shall be appointed by the Board and shall be comprised of at least three members, consisting entirely of independent directors of the Board and meet any and all other requirements for audit committee members set forth in the listing requirement of the New York Stock Exchange and Rule 10A-3 of the Securities Exchange Act of 1934. Each Committee member shall be or must become financially literate at or within a reasonable period of time following his or her appointment. At least one member of the Committee must have accounting or related financial management expertise. Members shall not serve on more than two other

public audit committees simultaneously. The Committee will meet at least quarterly. The Board shall appoint one of the members of the Audit Committee to serve as Chairman. The Chairman shall prepare or approve an agenda and distribute it to the members of the Committee in advance of each meeting.

The Committee may perform the duties required to be performed by the financial audit committee of its subsidiary, Bank of Hawaii (the “Bank”), and any other bank or non-bank subsidiary exercising fiduciary powers that does not have its own audit committee, to the extent permitted and in the manner required by applicable laws and regulations. The Committee may act simultaneously on behalf of the Company and of the Bank.

Responsibilities

1. The Committee shall have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Committee, as representatives of the Board and the Company’s shareholders. The independent auditors will report directly to the Committee. The Committee shall have the sole authority to hire and fire, to determine the compensation and direct the payment of, and to oversee the independent auditors (including the resolution of any disagreements regarding financial reporting). Annually, the Committee will review and select the independent auditors for the upcoming fiscal year, subject to the shareholders’ approval. The Committee shall set clear hiring policies for employees or former employees of the independent auditors that meet the SEC regulations and NYSE listing standards.
2. The Committee shall review the independence, performance and qualifications of the Company’s independent auditors. Among other things, at least annually the Committee shall obtain and review a written report from the independent auditor describing: the firm’s internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm, and any steps taken to deal with any such issues; and all relationships between the independent auditor and the Company. The Committee shall discuss the matters included in this written report and the auditors’ independence from management, including any disclosed relationships or services that may impair the objectivity and independence of the independent auditors.
3. The Committee shall pre-approve all auditing and permitted non-audit services to be provided by the independent auditors, except that the Committee need not pre-approve any permitted non-audit services that meet the requirements of any de minimis exception established by applicable law or regulation. Further, in lieu of pre-approval of specific permitted non-audit services, the engagement may be entered into pursuant to detailed pre-approval policies and procedures established by the Committee, so long as the Committee is promptly informed of the service.

4. The Committee shall discuss with the internal auditors, credit review and the independent auditors the overall scope and plans for their respective audits and credit review examinations, including the adequacy of staffing. Also, the Committee will discuss with management, the internal auditors and independent auditors the adequacy and effectiveness of the internal control over accounting and financial reporting including the Company's processes to assess and manage business and financial risk exposures and relevant compliance programs. The Committee will meet separately and periodically with the internal auditors, the independent auditors and management in the course of performing its oversight functions. The Committee shall review with the independent auditors audit problems or difficulties, including any restrictions on the scope of their activities or access to requested information, and management's response, including any significant disagreements with management. The Chairman, acting on behalf of the Committee, shall conduct an annual review of the performance of the General Auditor and Credit Review Manager.
5. The Committee shall discuss the Company's policies with respect to risk assessment and risk management.
6. Prior to filing, the Committee shall review and discuss with management and the independent auditors the interim financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," to be included in the Company's Quarterly Report on Form 10-Q. The Committee will discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.
7. Prior to filing, the Committee shall review and discuss with management and the independent auditors the annual financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," to be included in the Company's Annual Report on Form 10-K. The scope of this review and discussion shall include: management's and the independent auditors' judgments about the quality, not just the acceptability, of the accounting principles applied; the reasonableness of significant judgments and the clarity of the disclosures in the financial statements. The Committee will discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.
8. The Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. This discussion may be general, and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

9. The Committee shall 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 employees of concerns regarding questionable accounting or auditing matters.
10. The Committee shall report regularly to the Board concerning matters within the scope of its responsibilities.
11. The Committee shall review its own performance at least annually.
12. The Committee shall review this charter at least annually and any revisions adopted by the Committee will be subject to approval by the Board.

Limitation of the Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.