



# Code of Business Conduct & Ethics

Revised December 1, 2014



# Table of Contents

- GENERAL POLICIES .....1**
  - COMPLIANCE WITH LAWS AND REGULATIONS .....2
  - OTHER CODES OF ETHICS OR CONDUCT .....2
- CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS .....3**
  - DISCLOSURE .....4
- PRESERVE CONFIDENTIALITY .....5**
  - INFORMATION RELATING TO CUSTOMERS,  
PROSPECTIVE CUSTOMERS AND VENDORS .....5
  - INFORMATION RELATING TO THE BANK .....6
  - INFORMATION RELATING TO EMPLOYEES .....7
  - PROTECTING BANK CONFIDENTIAL AND PROPRIETARY INFORMATION .....7
  - NON-SOLICITATION AGREEMENTS .....8
  - MEDIA INQUIRIES .....8
- AVOID CONFLICTS OF INTEREST .....9**
  - GIFTS .....10
  - POLITICAL CONTRIBUTIONS AND ACTIVITIES .....11
  - OUTSIDE EMPLOYMENT .....11
  - OUTSIDE DIRECTORSHIPS .....12
  - PARTICIPATION IN NON-PROFIT ORGANIZATIONS, SERVICE CLUBS  
AND ASSOCIATIONS .....12
  - PROCESSING PERSONAL TRANSACTIONS .....13
  - EXTENDING CREDIT .....13
  - PERSONAL FINANCIAL RESPONSIBILITY .....14
  - PERSONAL BORROWING AND LENDING .....14
  - SIGNING ON CUSTOMER ACCOUNTS .....14
  - CORPORATE OPPORTUNITIES .....15
  - PROTECTION AND PROPER USE OF COMPANY ASSETS .....15
  - GIVING LEGAL, TAX AND OTHER ADVICE TO CUSTOMERS .....15

**COMPLY WITH LAWS, REGULATIONS AND POLICIES..... 16**

SECURITIES TRADING POLICY..... 16  
EXECUTIVE COMPENSATION CLAWBACK POLICY .....17  
BANK BRIBERY ACT .....17  
FOREIGN CORRUPT PRACTICES ACT ..... 19  
MONEY LAUNDERING ACTIVITIES/BANK SECRECY ACT .....20  
OFFICE OF FOREIGN ASSETS CONTROL (OFAC) REGULATIONS.....20  
“FAIR DEALING” - RELATIONSHIPS WITH COMPETITORS AND VENDORS.....20  
“FAIR TREATMENT” - RELATIONSHIPS WITH CUSTOMERS .....21  
“ANTITRUST AND ANTI-TYING” - TIE-INS AND EXCLUSIVE DEALINGS.....21  
INVESTIGATIONS, EXAMINATIONS AND AUDITS.....21  
NON-DISCRIMINATION .....22  
HARASSMENT-FREE WORKPLACE.....22  
VIOLENCE-FREE WORKPLACE.....22  
INTERNATIONAL BUSINESS.....22

**ESCALATION PROCEDURES.....23**

INQUIRIES ABOUT CODE CONCERNS & VIOLATIONS .....23  
REPORTING CODE CONCERNS & VIOLATIONS.....23  
TREATMENT OF REPORTS.....23  
NON-RETALIATION .....23

**CODE ADMINISTRATION..... 24**

IMPLEMENTATION, REVIEW AND AWARENESS..... 24  
RESPONSIBILITY FOR ADMINISTRATION..... 24  
REPORTING ..... 24  
CHANGES AND WAIVERS ..... 24  
DISCIPLINARY ACTIONS.....25



## General Policies

Bank of Hawaii Corporation and our subsidiaries and affiliates (“Bank”), have earned the reputation as a respected leader in the communities we serve and in the financial services industry by conducting business in an ethical, responsible and professional manner. Our Board of Directors has adopted this Code of Business Conduct & Ethics (“Code”) to govern where indicated, our directors’ and/or employees’ personal and professional conduct, and actions and work relationships with others in situations, both official and unofficial, in which they may be reasonably perceived as acting as representatives of the Bank.

### **THIS CODE PROMOTES:**

- Honest and ethical conduct, including fair dealing and the ethical handling of actual or perceived conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in public communications made by the Bank, including reports and documents that the Bank files with, or submits to, the Securities and Exchange Commission (“SEC”), New York Stock Exchange (“NYSE”), Federal Reserve Bank (“FRB”), and other regulatory agencies as required;
- The protection of the Bank’s legitimate business interests, including corporate opportunities, assets and confidential information;
- Compliance with applicable laws and governmental rules and regulations;
- Accountability for adherence to this Code;
- Management action to prevent and address violations of this Code; and
- The prompt internal reporting of Code violations to an appropriate person or persons identified in this Code.

This Code does not specifically address all forms of conduct that may raise conflicts of interest or violations of applicable law; it is not intended to supplement good judgment and common sense to avoid even the appearance of impropriety. Employees must not approve or process any transactions in violation of this Code. To the extent there is a conflict or ambiguity between the permissive conduct and that which is not permitted,

the latter should be assumed. **If you fail to comply with this Code you may be subject to disciplinary action, termination of employment, and/or criminal prosecution.**

This Code articulates a statement of internal policy for the Bank and its directors and employees. It is not intended to, and does not create or affect any contractual or other legal relationship between the Bank and its customers, vendors or other unaffiliated parties, nor is it intended to create any legal benefit or be enforceable by any person or entity other than the Bank and its subsidiaries. It does not alter in any manner the “at-will” nature of any employment relationship with the Bank.

**For contact information, please refer to Escalation Procedures on page 23 of this Code.**

#### **COMPLIANCE WITH LAWS AND REGULATIONS**

Directors and employees shall conduct their personal and business dealings in accordance with the letter, spirit, and intent of all relevant laws, and not participate in illegal, dishonest or unethical activities. Even where a specific law does not prohibit or restrict an activity, standards of ethics continue to apply and require diligent attention to appropriate conduct and corporate citizenship. For additional information, please refer to Comply with Laws, Regulations and Policies on page 16 of this Code.

#### **OTHER CODES OF ETHICS OR CONDUCT**

In addition to this Code, certain employees are subject to other codes of conduct and ethics dealing with considerations unique to their positions or professional licensure requirements in areas including, but not limited to the Asset Management Group, Bankoh Investment Services, Inc., and Investment Services Group.

In the event of perceived inconsistencies between this Code and any other codes of conduct and ethics or external regulatory or professional licensure requirements, the more stringent provision will apply.



## Code of Ethics for Senior Financial Officers

Senior Financial Officers of the Bank advocate the principles and responsibilities listed below which govern their professional and ethical conduct. The term “Senior Financial Officers” includes the Bank’s principal executive officer, principal financial officer, principal accounting officer or controller, and employees who perform functions similar to these Senior Financial Officers.

Senior Financial Officers shall be expected to:

- Act with honesty and integrity, avoiding actual or perceived conflicts of interest in personal and professional relationships;
- Respect the confidentiality of information acquired in the course of work performed except when authorized or otherwise legally obligated to disclose, and not use confidential information for personal advantage;
- Proactively promote and be an example of ethical behavior as a responsible partner among peers in the work environment;
- Be responsible for the appropriate use of and control over assets and resources employed or entrusted to them;
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting or disregarding material facts or allowing their independent judgment to be subordinated;
- Provide information that is accurate, complete, objective, relevant, timely, and understandable to ensure full, fair, accurate, and timely disclosure in reports and documents that the Bank files with, or submits to, the SEC, NYSE, FRB, and other regulatory agencies, and in other public communications made by the Bank;
- Comply with Bank policies, applicable laws, rules, and regulations of federal, state, provincial, local governments and other appropriate private and public regulatory agencies;
- Discuss concerns about the accuracy and usefulness of accounting records and financial reports with appropriate officers of the Bank’s Finance Department, or if necessary, the Chairman of the Audit & Risk Committee;

- Discuss unresolved concerns with appropriate officers or, if necessary, the Chairman of the Audit & Risk Committee; and
- Promptly report any violation of this Code of Ethics for Senior Financial Officers to the Audit & Risk Committee.

Senior Financial Officers are expected to adhere to this Code of Ethics. Failure to observe the principles and responsibilities of this Code of Ethics may result in disciplinary action up to, and including, termination of employment and prosecution under the law. The Bank's Board of Directors shall be the final arbiter of any actions taken to enforce this Code of Ethics for Senior Financial Officers. Waivers of or changes to this Code of Ethics shall be publicly disclosed on a timely basis as required by law.

## DISCLOSURE

- Employees involved in the Bank's disclosure process, including Senior Financial Officers, are required to be familiar with and comply with the Bank's disclosure controls, procedures and internal controls over financial reporting, to the extent relevant to their area of responsibility. This will ensure that the Bank's public reports and documents filed with the SEC, NYSE, FRB, and other regulatory agencies as required, comply in all material respects with the applicable laws, rules and regulations. In addition, employees having direct or supervisory authority regarding these regulatory filings or the Bank's other public communications concerning its general business results, financial condition and prospects should, to the extent appropriate within their area of responsibility, consult with other Bank employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosures.
- Employees who direct the Bank's disclosure process including, without limitation to, the Senior Financial Officers, must:
  - Familiarize themselves with the disclosure requirements applicable to the Bank as well as the business and financial operations of the Bank;
  - Not knowingly misrepresent, or cause others to misrepresent, facts about the Bank to others, whether within or outside the Bank, including the Bank's independent auditors, governmental regulators and self-regulatory organizations; and
  - Properly review and critically analyze proposed disclosures for accuracy and completeness, or where appropriate delegate this task to others.



## Preserve Confidentiality

In carrying out the Bank's business, directors and employees learn and handle confidential or proprietary information about the Bank and its business, its customers, vendors, or other third parties. As a fundamental principle, directors and employees must protect the Bank's confidential relationships and information at all times.

Directors and employees must maintain the confidentiality of all information entrusted to them, **even after their relationship with the Bank ends**, except when disclosure is authorized or required by law. Generally, Bank confidential or proprietary information means any non-public information. Unauthorized use or distribution of this information is a violation of Bank policy and may result in civil or criminal action, in addition to possible disciplinary action, up to and including, termination of employment.

**For contact information, please refer to Escalation Procedures on page 23 of this Code.**

### INFORMATION RELATING TO CUSTOMERS, PROSPECTIVE CUSTOMERS AND VENDORS

Confidential information with respect to Bank customers, prospective customers, and vendors acquired by any director or employee is considered to be privileged. Such information is to be used solely for Bank purposes. Confidential and proprietary information relating to customers, prospective customers, or vendors includes, but is not limited to, the following:

- All financial information, records, formulas, and files of the customer or vendor in the Bank's possession; and
- Current and prospective customer names, addresses, and other contact information, such as telephone numbers, email addresses, customer preferences, accounts, lists, vendor lists, employee lists, customer financial information, including, without limitation, financial statements, account information, business plans, forecasts, decisions, problems, non-financial records, files, policies, and practices.

In no case should such information be transmitted to or shared with persons outside the Bank, including family, relatives, associates, or to other employees of the Bank who do not need to know such information in the normal discharge of their duties. The only exceptions to this policy will be the following:

- Routine trade inquiries in accordance with Bank guidelines;
- Disclosures authorized or required by law; and
- Information specifically authorized for release by customers and vendors.

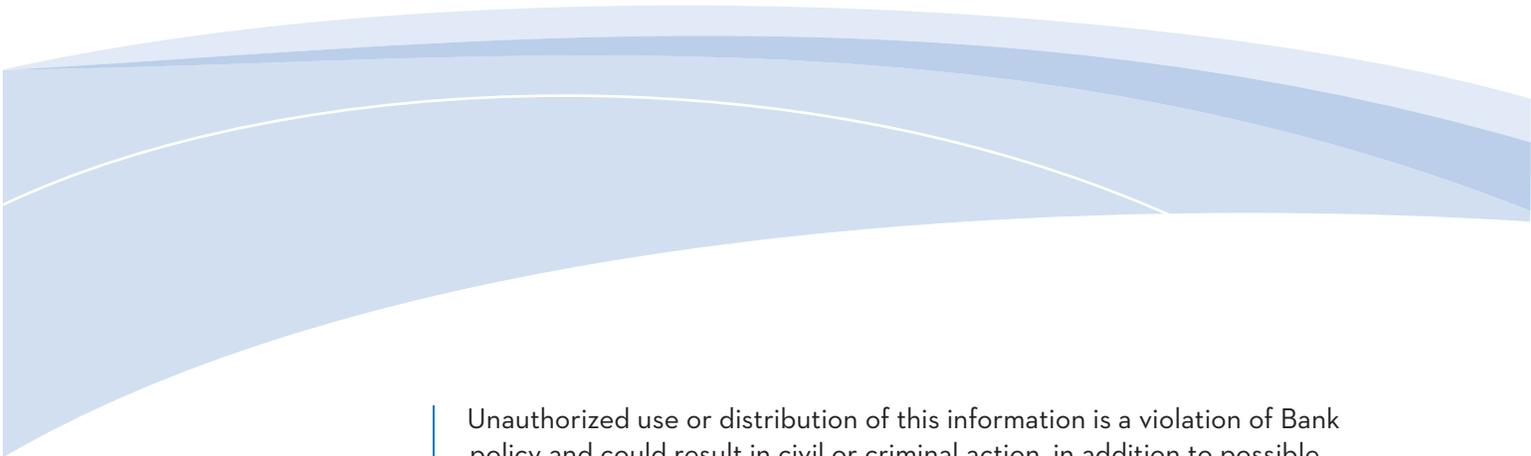
Each director and employee is expected to make every effort to avoid a breach of confidential information regarding customer and vendor relationships. This includes unintentional as well as intentional disclosure. Unauthorized use or distribution of this information is a violation of Bank policy and may result in civil or criminal action, in addition to possible disciplinary action, up to and including, termination of employment.

#### **INFORMATION RELATING TO THE BANK**

Information that is not available to the general public relating to the Bank is considered to be confidential and proprietary. Such information is to be used solely for Bank purposes and not as a basis for personal gain by any director or employee. Directors and employees shall not use or disclose non-public information about the Bank or its activities or affairs in a manner that is not approved by the Bank.

Confidential and proprietary information relating to the Bank includes, but is not limited to, the following:

- Intellectual property such as trade secrets, patents, trademarks, and copyrights;
- Unpublished financial data or information, business and marketing plans, organizational structure, policies, records, wage or salary data, strategic planning, sales figures for individual products and services, plans for new products and services or advertising programs, areas where the Bank intends to expand or improve its products and services, plans regarding mergers and acquisitions, lists of vendors or customers, capital investment plans, projected earnings, changes in management or policies, product specifications and price lists, marketing strategies, distribution methods, databases, data processing and other systems, personnel policies and compensation plans and arrangements;
- Information relating to customers and customer relationships;
- Knowledge, formulas, or data of a technical nature (including methods, know-how, processes, discoveries, or research projects); and
- Information about boardroom discussions and deliberations relating to business issues and decisions as well as Board dynamics.



Unauthorized use or distribution of this information is a violation of Bank policy and could result in civil or criminal action, in addition to possible disciplinary action, up to and including, termination of employment.

### **INFORMATION RELATING TO EMPLOYEES**

We are committed to protecting the confidential aspects of our relationship with employees, satisfying the requirements of applicable employment laws, and maintaining uniformity in responding to inquiries regarding present and former employees. To ensure consistency in maintaining this policy, any request for information regarding present or former employees must be referred to Human Resources at (877) 277-2898. This includes information relating to employment or salary verification. Employee information being released for the purpose of recognition or improving morale, such as an employee's service anniversary, will not be considered a breach of confidential information. Unauthorized use or distribution of this information is almost always a violation of Bank policy and may result in civil or criminal action, in addition to possible disciplinary action, up to and including, termination of employment.

### **PROTECTING BANK CONFIDENTIAL AND PROPRIETARY INFORMATION**

We expect that our directors and employees will respect the confidential and proprietary nature of Bank information and will use or disclose such information only as deemed appropriate by the Bank such as:

- Accessing information only as needed for directors or employees to perform legitimate Bank business;
- Ensuring that such information is maintained only on Bank equipment, in Bank files and on Bank premises or using extra precautions, such as encryption, if business necessity requires information to be transported off of Bank premises;
- Using computer protections including password protections, screen savers, and email encryptions;
- Exercising good judgment by avoiding displaying confidential information in any form (documents, laptop screens, etc.) in a careless manner or engaging in conversations mentioning confidential information in public places (elevators, hallways, restrooms, restaurants, public transportation, etc.);
- Following Bank and business unit document retention guidelines;

- Ensuring materials containing confidential or proprietary information are appropriately destroyed (e.g., shredded); and
- Immediately notifying a supervisor if there is a compromise or loss of such information.

Unauthorized use or distribution of this information is a violation of Bank policy and could result in civil or criminal action, in addition to possible disciplinary action, up to and including, termination of employment. **You must continue to maintain and protect the privacy of Bank confidential and proprietary information after your employment ends.** Under no circumstances and at no time may former employees, directly or indirectly, disclose, divulge, use, render or offer any knowledge or information with respect to any confidential or proprietary information. All confidential and proprietary information received during employment shall remain the sole and exclusive property of the Bank. Employees are expected to abide by the following:

- Upon termination of employment with the Bank, return all of the Bank's property (confidential or otherwise) in whatever form to the Bank, without retaining any copies or extracts of such information, including, but not limited to:
  - All digital or electronic files; storage devices; emails; guides; manuals; reports; memoranda; directives; indices; and other documents or tangible material which the Bank provided or obtained as a result of your employment, and
  - Contact information and personal files which you may have created for your own convenience during employment, but which contain confidential or proprietary information of the Bank, such as information about the Bank's customers, prospective customers, or employees.

### NON-SOLICITATION AGREEMENTS

We may require employees in certain business units to sign individual Non-Solicitation Agreements as an additional term and condition of employment with the Bank.

### MEDIA INQUIRIES

Employees may receive inquiries about the Bank or its business from the news media. All media inquiries should be directed to the attention of the Bank's Corporate Communications Manager at (808) 694-8580 for a response.



## Avoid Conflicts of Interest

A “conflict of interest” occurs when an individual’s personal interest interferes or appears to interfere with the interests of the Bank. A conflict of interest can arise when directors or employees take action or have interests that may make it difficult to perform their Bank work objectively and effectively. Directors and employees must never use or attempt to use their position to obtain improper personal benefit for themselves, their family, or for any other person.

For the purpose of this Code, “family” includes but is not limited to the following: a director or employee’s spouse, parents, children, siblings, grandparents, grandchildren, in-laws, aunts, uncles, nieces, nephews, cousins and any of these in a step relationship; or any legal guardian, legal ward, or an estate or trust of which the employee or one of the foregoing is a beneficiary, personal representative, or trustee. It also includes persons in hanai relationships, domestic partners, and significant others.

Conflict of interest situations involving employees who occupy supervisory positions or who have discretionary authority in dealing with any third party including, but are not limited to, the following:

- Any significant ownership interest in any Bank vendor or business customer;
- Any consulting or employment relationship with any customer, vendor or competitor;
- Any outside business activity that detracts from an individual’s ability to devote appropriate time and attention to his or her responsibilities with the Bank;
- Any direct oversight or authority over a profit-making entity or venture, or a non-profit organization or service club or association account for which the employee is director, officer or an authorized signer;
- The receipt of excessive gifts or entertainment from any company or customer with which the Bank has current or prospective business dealings;
- Being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefits of any family member; and
- Selling anything to the Bank or buying anything from the Bank, except on the same terms and conditions as comparable employees are permitted to so purchase or sell.

Any director or employee, who becomes aware of a conflict of interest or is concerned that a conflict might develop, is required to report the matter promptly. **For contact information, please refer to Escalation Procedures on page 23 of this Code.**

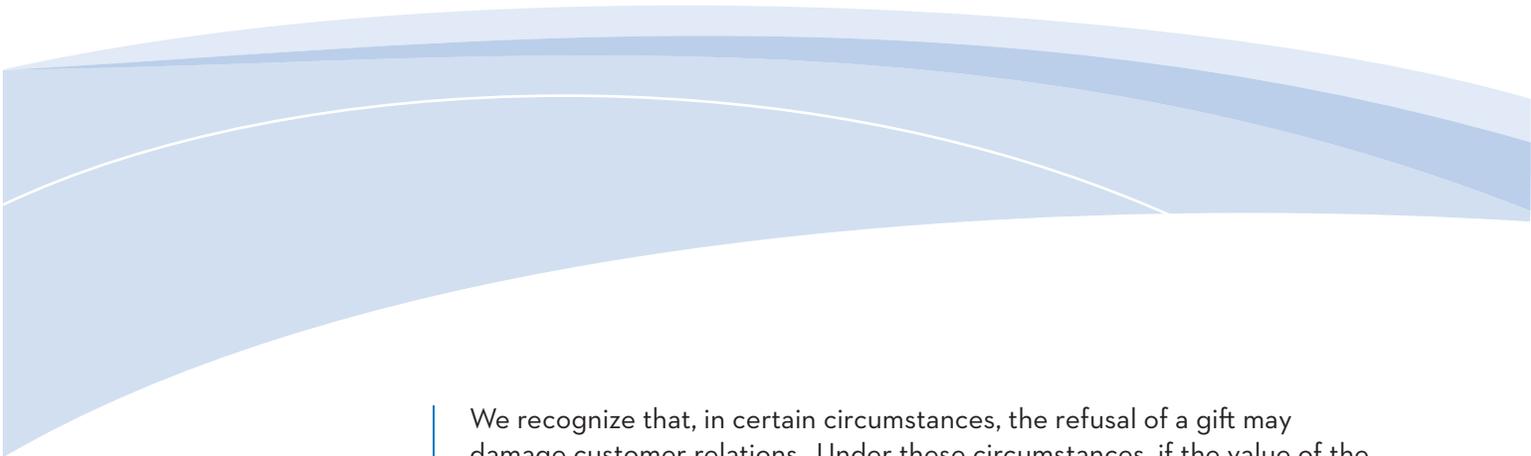
## **GIFTS**

Federal and state laws make it a crime for Bank employees to solicit or accept anything of value from third parties in connection with or in exchange for any business or transaction of an insured financial institution. It is important that you avoid any appearance of potential bribery or improper influence by loan applicants, customers, competitors, consultants, and vendors. For additional information, please refer to Bank Bribery Act on page 17 of this Code.

We prohibit directors and employees from seeking or accepting gifts from third parties in connection with any transaction or business of the Bank. The term “gift” includes, but is not limited to, substantial favors, money, credit, special discounts on goods and services, free services, transportation tickets, reimbursement for travel, loans of goods or money, tickets to entertainment or sporting events, hotel expenses, or excessive entertainment. Cash gifts to Bank employees are strictly prohibited and must be politely, yet firmly, returned to the donor. Gifts to an employee’s immediate family (e.g., spouse, domestic partner, children, parents and siblings) are included in this section. The individual need not benefit from the gift. Accepting items of value for the benefit of a third person or party is also prohibited. Generally, employees may not accept a bequest, legacy, benefit or interest in property under a trust from a customer or vendor (other than a member of their family).

Directors and employees shall not solicit or allow themselves to be solicited or accept gifts intended to or appearing to influence decisions toward the Bank’s business. We may offer or sponsor programs that include employee benefits associated with product or service discounts offered by third parties. Meals, refreshments and accommodations or entertainment may be exceptions to this policy if:

- Such expenses are provided in the course of a meeting or other occasion for which the purpose is to hold bona fide business discussions;
- The expenses are of reasonable value; and
- The Bank would have paid for these expenses as a reasonable business expense, had they not been paid for by the third party.



We recognize that, in certain circumstances, the refusal of a gift may damage customer relations. Under these circumstances, if the value of the gift is over \$500, then you must report the gift and the circumstances of the gift to your supervisor for approval.

### **POLITICAL CONTRIBUTIONS AND ACTIVITIES**

Employees are encouraged as good private citizens to support political candidates or parties of their choice by donating their own time or money. However, employees are not permitted to make any direct or indirect political contribution of Bank funds or other property, campaign on Bank time or on Bank premises, or permit the use of Bank resources for political purposes. The only exception is through voluntarily participation in the Bank's Special Political Education Committee ("SPEC").

Employees may not take time away from work for political activities unless written approval is obtained from their supervisor.

### **OUTSIDE EMPLOYMENT**

We discourage employees from holding outside employment that may interfere with their responsibilities at the Bank. Employees may not engage in outside employment which interferes, competes, or conflicts with the interests of the Bank, which will encroach on normal working time, or which may necessitate such long hours as to impair their ability to perform regular job responsibilities at the Bank. Examples of outside employment which may involve a conflict of interest include, but are not limited to, the following situations:

- Working for a Bank competitor;
- Working for an insurance, real estate or securities brokerage firm, including self employment in a business related to real estate or any of the aforementioned businesses for which referrals are made for a fee;
- Preparing, auditing, or certifying statements or outside documents upon which the Bank may place reliance for lending or other purposes;
- Preparing tax returns for customers or prospective customers, vendors or employees;
- Rendering investment, legal, or other advice, or exercising judgment which is predicated upon information, reports or analysis that are accessible primarily from or through employment with the Bank;
- Taking outside employment that reflects adversely on the employee or on the Bank; or

- Taking outside employment that infers sponsorship or support of the Bank to the outside employer or an outside organization.

Employees engaged in outside employment must promptly disclose such information to the Bank through a written statement indicating that the outside employment adheres to the Bank's policy. Prior written approval must be obtained from the employee's supervisor and Human Resources #329 for any outside employment. This provision shall not be deemed to restrict the outside activities of the Bank's Board of Directors which do not raise conflict of interest concerns.

### **OUTSIDE DIRECTORSHIPS**

Employees may not serve in the following positions, including, but not limited to: directors, trustees, or officers of a profit-making entity or venture or a non-profit entity for which they receive compensation, without written notification and permission from the Managing Committee. The Managing Committee will consider the employee's time commitment required by the outside directorship and determine if a conflict of interest exists.

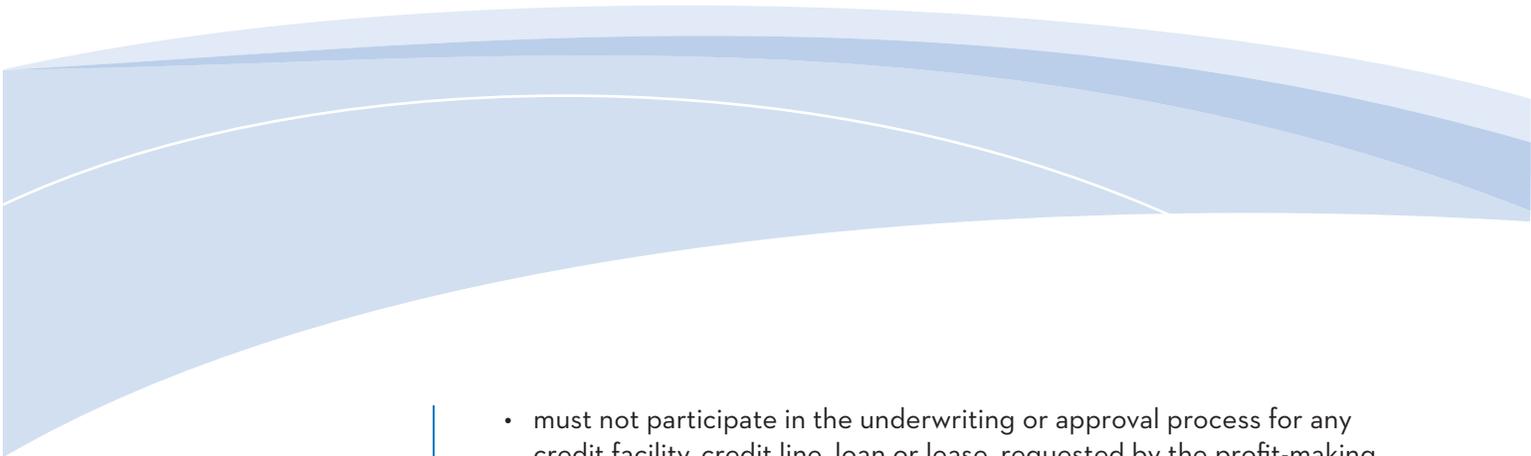
The Bank's Directors' and Officers' insurance coverage is only extended to employees whose participation is disclosed and approved for coverage.

### **PARTICIPATION IN NON-PROFIT ORGANIZATIONS, SERVICE CLUBS AND ASSOCIATIONS**

Employees are encouraged to take an active part in non-profit organizations such as improvement associations, service clubs, and religious organizations. Prior approval is not required for volunteer work or positions held in non-profit organizations. However, the time employees spend pursuing these interests should not interfere with their Bank job. When acting in a private capacity, employees should clearly distinguish their personal views from the Bank's views and avoid taking controversial positions that may be incorrectly attributed to the Bank. Employees are expected to comply with the standards of these organizations.

Employees designated as a director, officer, or an authorized signer on a profit-making entity or venture, or a non-profit organization, service club, association etc., account with the Bank:

- must conduct all transactions on behalf of the entity, venture, organization, club, etc., from the customer side of the window or desk
- must disclose the potential for a conflict of interest to the entity, venture, organization, club, etc., and recuse themselves from voting on any matters regarding banking services or credit services

- 
- must not participate in the underwriting or approval process for any credit facility, credit line, loan or lease, requested by the profit-making entity or venture; or non-profit organization, service club, etc.
  - must not process or authorize the processing of a 'draw' or advance from a credit facility in the name of the entity, venture, organization, club, etc., for which they are a director, officer or authorized signer
  - must not be the assigned relationship officer for that account
  - must not have control over the customer's records of that account, such as the deposit account or loan statements
  - must not authorize or approve any overdrafts incurred by the entity, venture, organization, club, etc.
  - must not process or authorize the reversal or waiver of fees or service charges to any account over which they have signing authority
  - must not request approval of any exceptions to transactions being conducted on behalf of the organization, club, association, etc., by a co-worker or anyone they supervise

### **PROCESSING PERSONAL TRANSACTIONS**

Directors and employees must transact all personal financial business with the Bank following the same procedures that are used by customers and from the customer side of the window or desk. Directors and employees are not allowed to handle or approve their own transactions, or transactions on accounts over which they have ownership interest, control, or signing authority. Personal accounts include, but are not limited to business accounts, personal checking and saving accounts, loans, credit cards, and trust accounts, etc. These transactions must be handled by personnel other than the director or employee for whom the transaction is conducted. Directors or employees found processing or approving their own personal transactions will be assumed to be in violation of this Code and applicable internal operating policies and procedures.

Employees may not request approval of any exceptions to personal transactions by a co-worker or by anyone they supervise. Any coercion, real or perceived, exerted to the employee responsible for processing the transaction is a violation of this Code.

### **EXTENDING CREDIT**

Employees are prohibited from negotiating or approving any loan or other transaction between the Bank and themselves, their family members, or any company in which they (or a family member) have any interest or association

(e.g., as an owner, officer, or agent). For the definition of “family,” please refer to Avoid Conflicts of Interest on page 9 of this Code.

Employees may not extend Bank credit if the proceeds of the loan are for the direct or indirect benefit of themselves, a family member, or any company in which they or a family member have an interest or association.

Employees may not extend personal credit to any Bank employee, customer, or vendor.

### **PERSONAL FINANCIAL RESPONSIBILITY**

As employees of a financial institution, it is important to consistently demonstrate an ability to properly manage personal finances, particularly the intelligent use of credit. Experience has demonstrated that imprudent personal financial management and its consequent hardships may affect job performance and may occasionally lead to more serious consequences for employees in positions of trust.

Insufficient fund and overdraft activity involving employee accounts with the Bank is strongly discouraged and may result in closure of the accounts.

### **PERSONAL BORROWING AND LENDING**

Employees are encouraged to meet their borrowing needs by applying for a loan through the Bank and taking advantage of special loan programs offered to employees. Employees may not personally lend to, or borrow from, other employees or customers. Employees may not borrow from a vendor or customer, except through the use of a customary retail charge account. Employees may borrow from another bank or financial institution, but they may not accept favored treatment that is not extended to other customers of the bank or financial institution as to interest rate, maturity, security, repayment terms or any other provisions. Employees, their immediate family members and household members may not pledge Bank stock as collateral for a loan. This includes the use of a traditional margin account with a broker dealer. In addition, all directors and those executive officers designated by the Board of Directors must be familiar with and abide by Regulation O and its requirements regarding extensions of credit to insiders or to their related interests.

### **SIGNING ON CUSTOMER ACCOUNTS**

Employees may not sign on customer accounts, act as an agent or co-lessee of customer safe deposit boxes or otherwise represent customers. Exceptions: employees may sign on customer accounts where they act in an ownership capacity or where they are related to a customer by blood or marriage. Where permitted by law or by written agreement, a Bank



trust officer may sign on a customer's accounts in the course of providing fiduciary services. For employees designated as an authorized signer on a profit-making entity, venture, non-profit, organization, service club, or associated account, see Participation in Non-Profit Organizations, Service Clubs and Associations on page 12.

### **CORPORATE OPPORTUNITIES**

Directors and employees owe a duty to the Bank to advance the Bank's business interests when the opportunity to do so arises. Directors and employees are prohibited from taking (or directing to a third party) a business or personal opportunity that is discovered through the use of corporate property, information or position, unless the Bank has already been offered the opportunity and turned it down. Directors and employees are prohibited from using corporate property, information or position for personal gain and from competing with the Bank.

### **PROTECTION AND PROPER USE OF COMPANY ASSETS**

Directors and employees must protect the Bank's assets and ensure their efficient use. All Bank assets should be used only for legitimate business purposes.

The obligation to protect the Bank's assets includes the Bank's confidential and proprietary information. For additional information, please refer to Preserve Confidentiality on page 5 of this Code.

Directors or employees may not purchase Bank property, including property acquired through repossession or in settlement of debt, unless the purchase is court-approved, or purchase or borrow any assets from or sell any assets to any estate, trust or other fiduciary account administered by the Bank.

### **GIVING LEGAL, TAX AND OTHER ADVICE TO CUSTOMERS**

The practice of law is confined to licensed attorneys. Employees may not under any circumstances give legal advice to customers and should avoid making any statements that could be interpreted as giving legal advice. Employees may not under any circumstances give tax advice to customers, unless you are a trust officer providing tax planning and preparation services incidental to fiduciary services or a Bankoh Investment Services, Inc. employee providing tax advice incidental to investment or brokerage services. Additionally, in circumstances where the Bank employs an attorney in a non-attorney position, such employees should avoid providing legal advice. Lastly, the Bank's attorneys are employed to render legal services to the Bank and should not be asked to provide personal advice to employees, customers or others.

# Comply with Laws, Regulations, and Policies

It is our policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each director and employee to adhere to the standards and restrictions imposed by all applicable laws, rules and regulations including:

## **SECURITIES TRADING POLICY**

Please refer to the Bank's Securities Trading Policy, located on [www.boh.com](http://www.boh.com) (About BOH/ Investor Relations/ Corporate Governance) to review the policy. To request a copy or address questions, please contact the Corporate Secretary Department at (808) 694-8213.

It is both illegal and against Bank policy for any director or employee or their immediate family and household members to profit from securities trading based on information not disclosed to the public relating to the Bank or any other company. Any director or employee or their immediate family and household members who is aware of material, non-public information relating to the Bank may not purchase or sell any Bank stock, or disclose that information to others until that information has been made public by or on behalf of the Bank. Generally, trading may not commence until after the second full trading day following public disclosure.

In order to avoid the appearance of impropriety in trades around the time of announcements of annual and quarterly financial results, the Bank recommends that directors, employees, and their immediate family and household members not make any trades in Bank stock during the period beginning 14 calendar days before the end of each fiscal quarter, and ending after the second full trading day following the earnings announcement. Employees, who are actually aware of the Bank's earnings prior to their public announcement, or of any other material non-public information, may not trade even if it is outside this period.

Bank policy further prohibits any director or employee or their immediate family and household members from 1) pledging Bank stock as collateral for a loan (including the use of a traditional margin account with a broker-dealer) and 2) hedging the risk in Bank stock by buying or selling publicly traded options, puts, calls or other derivative instruments relation to Bank stock.

### **EXECUTIVE COMPENSATION CLAWBACK POLICY**

To the extent permitted by law, if the Human Resources and Compensation Committee (the “Committee”) determines that any bonus, incentive payment or equity based compensation has been awarded or received by an executive officer and that such compensation was based on any financial results or operating metrics that were satisfied as a result of such officer’s fraudulent or intentional illegal conduct, as defined by applicable law, then the Committee shall recover from the officer such compensation (in whole or in part) as it deems appropriate under the circumstances. In determining whether to recover such payment, the Committee shall take into account such considerations as it deems appropriate, including whether the assertion of a claim may violate applicable law or prejudice the interests of the Bank in any related proceeding or investigation. Further, following a restatement of the Bank’s financial statements, on the recommendation of the Audit and Risk Committee, the Human Resources and Compensation Committee shall cause the Bank to recover any compensation that is required to be recovered by Section 304 of the Sarbanes-Oxley Act of 2002..

### **BANK BRIBERY ACT**

It is both illegal and against Bank policy for any director or employee to solicit, for themselves or for another, anything of value from anyone in return for any business service or confidential information of the Bank, or to accept anything of value from anyone in connection with the business of the Bank, either before or after a transaction is discussed or consummated. The Bank Bribery Act prohibits gifts given, offered, solicited or accepted corruptly and with the intent to influence or be influenced. Directors and employees cannot be certain as to another’s intention in offering or making a gift. Therefore, directors and employees must exercise great caution in accepting any gift. No gift should ever be offered, given, provided or accepted unless it:

- Is not a cash gift;
- Is consistent with the Bank’s policy on gifts;
- Is not excessive in value;
- Cannot be construed as a bribe; and
- Does not violate any laws or regulations.

## **Violation**

A gift over \$1,000, if given, offered, solicited, or accepted with corrupt intent may result in the following consequences:

- A felony;
- Subject to a fine of \$1 million or three times the amount of the gift, whichever is greater; and/or
- Thirty years imprisonment.

A gift of \$1,000 or less, if given, offered, solicited or accepted with corrupt intent, may result in the following consequences:

- A misdemeanor;
- Subject to a fine; and/or
- One year imprisonment.

## **Exceptions Provided for Under Regulatory Guidelines**

Employees may accept bona fide salary, wages, fees or other compensation paid, or expenses paid or reimbursed, in the usual course of business by the Bank. In addition, employees may accept certain gifts of reasonable value if it is clear from the circumstances that the giver is not trying to corruptly influence a Bank transaction. Examples of gifts that employees may accept are as follows:

- Meals, refreshments, entertainment, accommodations or travel arrangements (all of reasonable value) in the course of a meeting or other occasion, when the purpose of which is to hold bona fide business discussions or to foster better business relations, provided that the Bank would have paid the expense as a reasonable business expense if not paid for by the other party. The reasonable value of this amenity may not exceed \$500 per occasion or event;
- Advertising or promotional material of reasonable value such as pens, pencils, note pads, key chains, calendars and similar items. The reasonable value of this type of gift may not exceed \$100 per item;
- Discounts or rebates on merchandise or services that do not exceed those available to other customers;
- Gifts related to commonly recognized events or occasions such as a promotion, new job, wedding, retirement, holiday or birthday. The reasonable value of this type of gift may not exceed \$500; and

- Charitable, educational or religious organization awards for recognition of service and accomplishment. The reasonable value of this type of gift may not exceed \$500.

Cash gifts are **not** to be accepted under any circumstances. (Employees may accept a gift certificate not redeemable for cash, provided it falls into one of the above exceptions.)

In the event of perceived inconsistencies between this Code and any other codes of conduct and ethics or external regulatory or professional licensure requirements, the more stringent provision will apply.

### **Case by Case Exceptions**

Employees who offer, provide, or receive anything of value not authorized by this Code, must obtain the written approval from their supervisor, with concurrence by the Chief Ethics Officer or its designee, on the basis of a full written disclosure of:

- The name and relationship of the person offering, providing, or receiving the gift;
- The nature of the gift;
- The value of the gift;
- The circumstances surrounding the offering, providing, or receiving of the gift; and
- Any other facts that may be relevant.

Any questions regarding the appropriateness of a gift or proposed gift should be discussed with their supervisor.

### **FOREIGN CORRUPT PRACTICES ACT**

In accordance with the Foreign Corrupt Practices Act, the Bank policy prohibits the use of corporate funds for bribes or for making improper payments of any kind to any persons or organizations in order to obtain their business or to influence their policies or decisions, or for any other reason. This prohibition includes payments to any foreign government official, political party, employee or agent that is not required by law. Substantial criminal penalties can result from non-compliance.

Any questions regarding the legality of any payment or business arrangement, should be referred to the Legal Department. **Any suspected bribe or other illegal arrangement should be reported immediately using the Escalation Procedures on page 23 of this Code.**

### **MONEY LAUNDERING ACTIVITIES/BANK SECRECY ACT**

Both federal and state laws prohibit the “laundering” of money (e.g. engaging in financial transactions to conceal the identity, source or destination of illicit funds). Money is laundered to hide the criminal activity associated with it, including the crimes by which it is generated (e.g. drug trafficking, tax avoidance, counterfeiting, terrorist financing, etc.). Employees need to “know their customer” and be alert to the dangers to the Bank should it, even unwittingly, become involved in receiving or laundering the proceeds of crimes. Employees must report any known or suspected criminal activity, such as the laundering of monetary instruments or the structuring of transactions to evade Bank Secrecy Act reporting requirements. The preferred method of reporting is an Electronic Incident Reporting (eIR) on the Corporate Security web site. Non-compliance with the requirements of these laws may result in civil and/or criminal penalties for both the Bank and its employees.

### **OFFICE OF FOREIGN ASSETS CONTROL (OFAC) REGULATIONS**

Federal laws prohibit the Bank from engaging in any transaction or maintaining any account involving individuals, businesses, entities, or countries named on the OFAC Specially Designated Nationals (SDN) list, or who is otherwise the subject of sanctions by the U.S. government. Any transaction, loan application, letter of credit application, or other bank account, service or document which may involve or make reference to an SDN should be immediately reported to the business unit’s compliance officer and the OFAC Officer in Corporate Compliance.

### **“FAIR DEALING” – RELATIONSHIPS WITH COMPETITORS AND VENDORS**

We have a history of succeeding through honest business competition. Directors and employees must act ethically toward our competitors. We do not seek competitive advantages through illegal or unethical business practices. Directors and employees should endeavor to deal fairly with our customers, service providers, vendors, competitors and employees. Additionally, no director or employee should take unfair advantage of anyone through manipulation or concealment, abuse privileged information, misrepresent material facts, or engage in any unfair dealing practices. Directors and employees must not disseminate gossip, rumors or false or disparaging statements concerning a competitor or commit actions intended to wrongfully damage a competitor.

### **“FAIR TREATMENT” - RELATIONSHIPS WITH CUSTOMERS**

We are committed to the fair treatment of all individuals in the communities we serve. This extends to the laws of each state, each jurisdiction, and each country where we do business. While we may offer different products across the markets we serve, our goal is to provide consistent treatment for all customers and prospective customers within each of these markets.

The primary laws and regulations addressing fair lending are: the Equal Credit Opportunity Act (Reg B), the Fair Housing Act, the Home Mortgage Disclosure Act (Reg C), and the Community Reinvestment Act (Reg BB). These laws and regulations prohibit discrimination against any person on the basis of race, color, religion, national origin, sex, marital and/or familial status, receipt of public assistance, handicap, age, and good faith exercise of rights under the Consumer Credit Protection Act. Laws addressing fair treatment include Section 5(a) of the Federal Trade Commission Act that prohibits "unfair or deceptive acts or practices" (UDAP) and Section 1031 of the Dodd-Frank Wall Street Reform and Consumer Protection Act "prohibiting unfair, deceptive, or abusive acts or practices" (UDAAP).

### **“ANTITRUST AND ANTI-TYING” – TIE-INS AND EXCLUSIVE DEALINGS**

Agreements with customers which condition the sale of goods or services on their purchasing other goods or services from the same vendor, or prohibit the customer from dealing with other vendors may violate antitrust and anti-tying laws. Antitrust laws prohibit agreements that restrict competition, such as agreements between competitors as to pricing, bidding, and production, supply and customer practices. They apply to various forms of unfair conduct that may tend to create a monopoly. Anti-tying laws restrict the tie-ins of certain products or services to the purchase of other, unrelated products or services. Since these laws are far-reaching and very complicated, you should contact your supervisor or other appropriate manager before taking any action that may fall within the scope of these laws.

### **INVESTIGATIONS, EXAMINATIONS AND AUDITS**

Directors and employees must fully cooperate with all internal Bank investigations, authorized governmental investigations, regulatory examinations and audits. Directors and employees must answer questions completely and truthfully and withhold no adverse information. Questions regarding such requests should be referred to their supervisors, Corporate Compliance, Corporate Security, Legal Department, or the Chief Ethics Officer.

## **NON-DISCRIMINATION**

We are committed to fully complying in letter and spirit with all Equal Employment Opportunity and Affirmative Action laws and regulations. Our business is to be conducted without regard to race, color, religion, sex, including gender identity or expression, age, ancestry, national origin, citizenship, marital status, disability, genetic information, sexual orientation, military/veteran status, domestic or sexual violence victim status or any other status protected by federal, state or local law.

## **HARASSMENT-FREE WORKPLACE**

We believe that every employee has the right to be treated with dignity and respect. Accordingly, our policy is to provide a work environment free from all types of harassment.

## **VIOLENCE-FREE WORKPLACE**

We will not tolerate any acts or threats of violence by directors or employees. Examples of these include, but are not limited to, the following: physical violence, intimidation, and/or coercion. Violations of this policy may lead to disciplinary action, up to and including, termination of employment, arrest, and/or criminal prosecution.

## **INTERNATIONAL BUSINESS**

Employees may not take any action outside the United States on behalf of the Bank that would be illegal or improper in the United States. Employees are expected to observe all applicable foreign laws to which they or the Bank may be subject. This includes, without limitation, foreign tax laws, customs duties, regulations, licensing, currency restrictions, and manufacturing and marketing laws. No actions should be taken that are intended to improperly circumvent the application of such laws.

# Escalation Procedures

## INQUIRIES ABOUT CODE CONCERNS & VIOLATIONS

Employees should approach their supervisor regarding questions about the Code and/or its applicability; to seek guidance; and/or report suspected or actual violations of the Code. In addition, employees may raise questions, or report suspected or actual violations of the Code to any of the following resources:

- Human Resources ..... (877) 277-2898**
- Corporate Security ..... (808) 694-8801**
- Legal Department ..... (808) 694-8875**
- Chief Information Security Officer ..... (808) 694-4041**
- Chief Ethics Officer ..... (808) 694-8822**

## REPORTING CODE CONCERNS & VIOLATIONS

In addition to the resources listed above, employees may report suspected or actual violations of the Code to any of the following resources:

- Audit & Risk Committee Chairman ..... (808) 544-3208**
- Chief Auditor ..... (808) 694-8040**
- General Counsel ..... (808) 694-8822**
- Chief Financial Officer ..... (808) 694-4848**
- Chief Compliance Officer ..... (808) 694-8303**
- Anonymous AlertLine ..... (866) 347-5470**

(Palau employees call 011-1-883-347-5470)

Anonymous AlertLine is a confidential and anonymous reporting avenue available 24 hours a day.

## TREATMENT OF REPORTS

All reports of Code violations will be reviewed, investigated and escalated as appropriate. Remedial measures will be taken as deemed necessary.

## NON-RETALIATION

We will not tolerate retaliation against any individual who raises a good faith concern or complaint, is a witness to a violation, or cooperates in an investigation under our policies. Any employee who engages in retaliatory acts or knows of an occurrence of retaliation and either fails to stop such acts or fails to report such acts, will be subject to disciplinary action, up to and including, termination of employment.

# Code Administration

## **IMPLEMENTATION, REVIEW AND AWARENESS**

It is the responsibility of each director and employee to be familiar with this Code and to abide by the letter and spirit of its provisions at all times. We will conduct an annual training on this Code. Employees are expected to complete the training and receive a passing score on the associated test. Directors will also review and approve this Code on an annual basis.

## **RESPONSIBILITY FOR ADMINISTRATION**

The Audit & Risk Committee of the Board of Directors (“Audit & Risk Committee”) has overall responsibility for administration of this Code. At its discretion, the Audit & Risk Committee may delegate the responsibility to determine matters of interpretation, as well as, to coordinate periodic changes and grant exceptions to this Code.

Upon notification of a Code violation, the Audit & Risk Committee or the Chief Ethics Officer or designee will inform the Board of Directors (in the case of a violation by a director or executive manager), or Managing Committee (in the case of a violation by any other employee) as deemed appropriate.

All supervisors are responsible for the implementation and administration of this Code within their respective departments.

## **REPORTING**

The Chief Ethics Officer or designee will provide an annual report to the Audit & Risk Committee summarizing Code violations for the prior calendar year. Additional reporting will be provided as situations warrant or as requested.

## **CHANGES AND WAIVERS**

Any change or waiver of this Code may be made by the Audit & Risk Committee of the Board of Directors or any committee authorized by the Committee for that purpose. Directors and employees shall be notified of any material changes to this Code.

## **DISCIPLINARY ACTIONS**

All directors and employees are responsible for complying with the policies set forth in this Code. Disciplinary action, up to and including termination,



## **DISCIPLINARY ACTIONS**

All directors and employees are responsible for complying with the policies set forth in this Code. Disciplinary action, up to and including termination, may be taken when an employee:

- Authorizes or participates directly or indirectly in activities which are Code violations;
- Is aware of a Code violation, but fails to report the violation; or
- Retaliates, directly or indirectly, or encourages others to do so, against an individual who reports a Code violation.



