

# BANK OF HAWAII CORPORATION

## SECURITIES TRADING POLICY

April 26, 2019

### WHO IS SUBJECT TO THIS POLICY?

This policy applies to you if you are a director, officer, employee or consultant of Bank of Hawaii Corporation (the “Company”) or one of its subsidiaries. It also applies to your immediate family members and to others living in your household. You are expected to be responsible for compliance with this policy by your immediate family and household members.

### WHY DO WE HAVE THIS POLICY?

Bank of Hawaii Corporation is a publicly held company listed on the New York Stock Exchange. As a director, officer, employee or consultant of the Company or one of its subsidiaries, your transactions in Company stock -- and those of your immediate family and household members -- are subject to securities laws and regulations that have serious ramifications. It is against the Company’s policy and a violation of federal law to make use of “material nonpublic information” in making investment decisions. The Company has adopted this policy to address issues raised when you, or your immediate family or household members, trade in the Company’s stock (or in the stock of another company), while in the possession of material nonpublic information about the Company (or about the other company, if received in the course of your duties with the Company). The Company has adopted this policy in an effort to guide your compliance with the law, and to avoid the appearance of improper conduct.

### WHAT IS THE LAW ON INSIDER TRADING?

The purchase or sale of stock while in the possession of material, nonpublic information about a company, and the selective disclosure of such information to others who may trade (commonly known as “tipping”), are prohibited by Federal and state securities laws, including Rule 10b-5 under the Securities Exchange Act of 1934. The purpose of the rule is to put company insiders and those with whom they may communicate material nonpublic information, on an equal footing with the public at large when making stock trades. After the information is disclosed to the public by company press releases, releases of quarterly financial results, or by other public dissemination, then (subject to compliance with this policy) it may be permissible to trade.

In other words, if you know something that would likely be considered relevant by an investor in determining whether to buy or sell a company’s stock, **you may not trade or tip anyone else as to that information until the information has been fully disclosed to the public.**

## WHAT ARE THE POSSIBLE CONSEQUENCES OF INSIDER TRADING?

Violations can result in civil and criminal penalties for the individual, as well as the individual's supervisors and the Company. The potential consequences of insider trading violations are:

For individuals who trade on material, nonpublic information (or tip such information to others):

- Disgorgement of the profit gained or loss avoided;
- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$5 million;
- A jail term of up to twenty years; and
- An order enjoining the individual from further violations of the securities laws.

For a company (and possibly an individual supervisor, as a "controlling person") that fails to take appropriate steps to prevent illegal trading by its insiders:

- A civil penalty of up to the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$25 million.

The Company also may impose other sanctions (including loss of benefits, or even dismissal) if you fail to comply with this policy.

## WHAT IS THE COMPANY'S GENERAL POLICY ON TRADING IN COMPANY STOCK?

The Company's policy is that neither you, nor your immediate family or household members, may, while in the possession of material nonpublic information relating to the Company, directly or indirectly trade in stock of the Company, "tip" others as to that information, recommend that anyone trade stock on the basis of that information, or engage in any other action to take personal advantage of that information. Such information may not be disclosed to others (including spouses, relatives, and business or social acquaintances) unless there is a legitimate business need to do so on behalf of the Company.

This policy also applies to material nonpublic information regarding another company that you may receive in the course of performing your duties to the Company, and trading in the stock of that other company.

## WHAT IS "MATERIAL INFORMATION"?

"Material information" is any information, either positive or negative (1) relating to a company [in addition to the Company, this could include any company with which the Company does business; (2) that has not been adequately disseminated to the investing public generally; and (3) the disclosure of which would likely affect the market price of the Company's stock or which would likely be considered important by an average investor in a decision to buy, sell or hold the Company's stock. Some examples of information that could be material, depending on the magnitude and certainty of the event, are:

- Projections of future earnings or losses or changes in such projections;
- Changes in earnings or loan loss provisions, or financial liquidity problems;
- A pending or prospective joint venture, merger, acquisition, tender offer or financing;
- A significant sale of assets or disposition of a subsidiary;
- The gain or loss of a material contract, customer or supplier or material changes in the profitability status of a current contract;
- The development or release of a new product or service;
- Changes in a previously announced schedule for the development or release of a new product or service;
- Changes in management, other major personnel changes or labor negotiations;
- Imposition or modification of regulatory restrictions not applicable to bank holding companies generally;
- Significant increases or decreases in dividends or the declaration of a stock split or the offering of additional stock; and
- A significant disruption in the company's operations or loss, potential loss, breach, or unauthorized access of its property or assets, including its facilities or information technology infrastructure.

Remember that such information may also be material with regard to another company. You should be particularly aware of information relating to, or arising from a planned significant transaction, relationship, or change in an existing relationship between any other company and the Company.

Because trading that receives scrutiny will be evaluated after the fact, with the benefit of hindsight, and may show that material, nonpublic information was available to the individual making the trade, questions concerning the materiality of particular information should be resolved in favor of materiality. It does not matter that an individual may have a significant or justifiable reason for a trade; there are no exceptions to this Policy.

### WHAT IS "NONPUBLIC INFORMATION"?

"Nonpublic information" is information that is not generally known or available to the public. Information is considered to be available to the public only when it has been released to the public through appropriate channels (e.g., by means of a press release or a public statement from one of the Company's senior officers), and enough time has elapsed to permit the investment market to absorb and evaluate the information. To allow enough time for the market to absorb the information, you should generally not trade until after two full trading days following public disclosure.

The circulation of rumors or "talk on the street," even if accurate, widespread and reported in the media, does not constitute public disclosure. Also, you may not take it upon yourself to publicly announce what you believe to be material, nonpublic information in order to trade. Only the appropriate designated officers of the Company can make the decision to disclose.

## WHAT IS “TRADING”?

“Trading” includes purchases and sales of stocks, bonds, debentures, options, puts, calls and other similar securities. It also includes trades made pursuant to any investment direction under employee benefit plans as well as trades in the open market. For example, sales of stock acquired through the Dividend Reinvestment Plan or transactions in the self-directed portion of the 401(k) plan are covered by this policy. The policy also applies to the exercise of options using swapped shares, or with an immediate sale of some or all of the stock through a broker.

## ARE THERE ANY SPECIAL CONSIDERATIONS APPLICABLE TO TRADING AROUND THE TIME OF EARNINGS ANNOUNCEMENTS?

Yes. As each fiscal quarter draws to a close, you are more likely to be assumed to have knowledge of the Company’s earnings for that quarter, even if you actually have no such knowledge. Therefore, in order to avoid the appearance of impropriety in trades around the time of announcements of annual and quarterly financial results, the Company recommends that you and your immediate family and household members do not make any trades in the Company’s stock during the period beginning 14 calendar days before the end of each fiscal quarter, and ending after the second full trading day after earnings have been publicly announced. Of course, if you are actually aware of the Company’s earnings prior to the time of their public announcement, or of any other material nonpublic information, you may not trade even if you are outside this period.

## MAY THE COMPANY IMPOSE A TEMPORARY BLACKOUT ON TRADING?

Yes. In order to avoid the appearance of impropriety in trades during especially sensitive periods, the Assistant Corporate Secretary or General Counsel may from time to time temporarily prohibit all or a group of the Company’s employees, consultants, officers or directors, those of its subsidiaries, and their immediate family and household members, from trading in the Company’s stock. If the Company imposes such a blackout and it applies to you, then you may not trade until the blackout is lifted. You may not disclose to anyone the fact that the Company has imposed a trading blackout.

## MAY I BUY OR SELL PUT OR CALL OPTIONS, OR OTHER HEDGING INSTRUMENTS ON COMPANY STOCK?

No. The Company, as a matter of policy, prohibits you and your immediate family and household members from hedging the risk in Company stock by buying or selling publicly-traded options, puts, calls, or other derivative instruments related to Company stock.

## MAY I SELL SHORT COMPANY STOCK?

No. The Company, as a matter of policy, prohibits you and your immediate family and household members from effecting “short sales” of the Company’s stock and certain “short sales against the box.” These are transactions involving stock that the seller does not own at the time of the sale, or if owned, that are not delivered within 20 days after the sale or deposited in the

mail or other usual channels of transportation within five days of the sale. Any violation of this provision may result in criminal liability.

### MAY I PLEDGE COMPANY STOCK AS COLLATERAL FOR A LOAN?

No. The Company, as a matter of policy, prohibits you and your immediate family and household members from pledging Company stock as collateral for a loan. This would include the use of a traditional margin account with a broker-dealer.

### DOES IT MATTER IF I DON'T PROFIT FROM "TIPPING"?

No. "Tipping" is subject to the same civil and criminal penalties that apply to other types of insider trading, regardless of whether you or your "tippee" benefited or profited.

### IS THERE AN EXCEPTION FOR EMERGENCY SITUATIONS?

No. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Remember that your trades will be analyzed after the fact with the benefit of hindsight. Therefore, even the appearance of an improper transaction must be avoided, both to make sure that you comply with the law and to preserve the Company's reputation for adhering to the highest standards of conduct.

### WHAT MUST I DO BEFORE I MAKE ANY TRADE IN COMPANY STOCK?

Directors and members of the Company's Managing Committee and their immediate family and household members must pre-clear with the Assistant Corporate Secretary any trades in Company stock, other than trades pursuant to a pre-approved 10b5-1 plan described below.

### IS THERE AN EXCEPTION FOR RULE 10B5-1 PLANS?

Trading plans meeting the requirements of Rule 10b5-1 are permitted under this Policy. Rule 10b5-1 provides a limited safe harbor from insider trading liability for certain purchases or sales in accordance with plans that are adopted when an individual is not in possession of material nonpublic information. If you have implemented such a plan in accordance with the rule and this policy, Company stock may be purchased or sold under a Rule 10b5-1 plan without pre-clearing the particular trade, even if you are in possession of material nonpublic information, but once the plan is adopted you cannot exercise any influence over the amount of stock to be traded, the price at which they are to be traded or the date of the trade. All Rule 10b5-1 plans must be entered into at a time when there is no undisclosed material information, during a window period, and must be approved by the Company.

Specifically, the rule imposes a variety of strict requirements for such plans:

- First, the preexisting plan must take the form of a binding contract for purchase or sale, an instruction to a third party to buy or sell, or a written plan for trading;

- Second, the plan must either specify the amount of stock to be traded, the trade price and the date of trade, set forth a formula for determining those items, or fully delegate the decisions on those items to a third party who is not in possession of material nonpublic information; and
- Third, the transaction must occur strictly in compliance with the plan.

If you, or one of your immediate family or household members, wish to set up a Rule 10b5-1 plan, you must provide the Company with a written plan. Sales and purchases will only be allowed pursuant to a Rule 10b5-1 plan if the plan is pre-approved by the Company.

While pre-clearance of trades under an approved Rule 10b5-1 plan is not required, please remember that these trades must still be reported timely under Section 16, usually within two business days of the trade.

### REGISTRATION REQUIREMENTS FOR SECTION 16 OFFICERS ~ RULE 144

The Securities Act of 1933 generally requires that all offers and sales of stock must be registered, or qualify for some exemption from the registration requirements. Rule 144 allows public resale of restricted and control stock if a number of conditions are met. Restricted stock is stock acquired in an unregistered, private sale from the issuing company (i.e., an employee stock benefit plan). Control stock is that held by an affiliate of the issuing company.

### WHO IS AN “AFFILIATE” SUBJECT TO REGISTRATION REQUIREMENTS?

In general, an affiliate includes directors of the Company and Bank of Hawaii and all Section 16 officers (Vice Chairmen and above and the Controller), as determined by the Company. If you have questions as to whether you are an “affiliate”, contact the General Counsel or Assistant Corporate Secretary.

### WHAT ARE THE CONDITIONS OF RULE 144?

Rule 144 provides an exemption from registration for affiliates under certain conditions.

If the stock is “restricted” (in other words, originally issued in a private placement), the director or Section 16 officer must have owned them for at least six months and they must have been fully paid for. This holding period does not apply to stock acquired under the Company’s stock option, profit sharing, or dividend reinvestment plans; the Company has registered the issuance of those securities, so they are not “restricted.”

Unrestricted stock held by a director or Section 16 officer (“control stock” or “affiliate stock”) does not have a holding period requirement under the Rule. A director or Section 16 officer is permitted to sell, during any three-month period, an amount not exceeding the greater of (i) one percent of the total number of outstanding shares of the class of stock, and (ii) the average weekly trading volume of such stock for the four week period immediately preceding the sale. Affiliate sales must be generally made in broker’s or market maker’s transactions.

There are specific rules for calculating the number of shares deemed to have been sold by a director or Section 16 officer, which may be attributed to the director or Section 16 officer,

such as his or her immediate family members, a trust, and corporations in which he or she has a significant interest or acts as trustee.

If the relevant sales exceed 5,000 shares or \$50,000 in any three-month period, the seller also must file a Notice of Proposed Sale on Form 144 with the SEC concurrently with or prior to the sale.

If you are a director or a Section 16 officer of the Company and are contemplating a sale of Company stock, you are required to first contact the Assistant Corporate Secretary and instruct your broker to do the same prior to the sale.

## **SECTION 16 “SHORT SWING” TRADING AND REPORTING REQUIREMENTS**

### **WHO IS COVERED BY SECTION 16?**

Section 16 of the Securities Exchange Act of 1934 applies to all directors of the Company. Section 16 also applies to the CEO, President, CFO, Vice Chairmen and Controller of the Company. The Board of Directors of the Company, annually at its organizational meeting, shall designate additional persons it believes to be “officers” covered by Section 16 by virtue of such officers’ policy making responsibilities or access to inside information.

### **WHAT IS A SHORT SWING TRADE, AND WHAT RESTRICTIONS DOES SECTION 16 IMPOSE ON SHORT SWING TRADES?**

A “short swing trade” is any sale and purchase, or purchase and sale, of Company stock within a six-month period. Any purchase and sale within the relevant time frame will be matched for purposes of this rule, regardless of whether the seller might otherwise view the purchase and sale as being of different shares. For example, suppose ten shares were purchased in January, and ten additional shares the following September. Any sale before March of the following year would be a short-swing trade, even though the shareholder would have held the original ten shares for more than six months.

Some common types of transactions are exempt from short swing trading liability, such as grants of options pursuant to qualified stock option plans, and reinvestment of dividends pursuant to qualified dividend reinvestment plans. However, the rules governing these exemptions are complex. You should not assume that a transaction will be exempt unless you have confirmed it with the Assistant Corporate Secretary and your own securities counsel.

Section 16 requires the disgorgement of all profits made on short swing trades by all Section 16 insiders. Therefore, the Company’s policy is that if you are a Section 16 insider, you may not make a short swing trade if it would result in profits you would be required to disgorge.

### **WHAT REPORTING REQUIREMENTS ARE IMPOSED BY SECTION 16?**

Section 16 requires a Section 16 insider to report his or her beneficial ownership in Company stock on Form 3 within ten calendar days after becoming an officer, director or 10% beneficial owner.

Section 16 also requires a Section 16 insider to report almost every change in his or her beneficial ownership of Company stock, including option grants and exercises under the Company's Stock Option Plan and transactions under Rule 10b5-1 plans, on Form 4 by the second business day following the transaction.

Finally, Section 16 requires a Section 16 insider who did not report on Form 4 any change in beneficial ownership during a fiscal year, either because it was exempt or eligible for deferral or because of an oversight, to report that transaction on Form 5 within 45 days after the close of the Company's fiscal year (i.e., by February 14).

The Assistant Corporate Secretary will assist you in reporting these transactions. However, the law provides that the reporting responsibility rests with the individual director or Section 16 officer.

### WHAT POSSIBLE PENALTIES ARE THERE FOR FAILING TO MAKE THE REQUIRED REPORTS?

The SEC can seek fines for failure to file a required report. For an individual, these fines range from \$5,000 to \$100,000. SEC rules also require the Company to report late filings by insiders for the latest fiscal year in its proxy statement and Annual Report on Form 10-K, naming each offending Section 16 insider.

### WHEN HAVE I ACQUIRED OR DISPOSED OF "BENEFICIAL OWNERSHIP" OF COMPANY STOCK FOR SECTION 16 REPORTING PURPOSES?

For purposes of determining whether you have acquired or disposed of beneficial ownership of stock, "beneficial ownership" means that you directly or indirectly have or share a direct or indirect "pecuniary interest" in that stock (i.e., the opportunity to share in any profit from a transaction in that security). For example, you will be deemed to have an indirect pecuniary interest in, among other things: stock held by members of your immediate family who reside in the same household; a proportionate interest in portfolio stock held by a general or limited partnership in which you are a general partner; a right to acquire stock through exercise or conversion of a derivative security, whether or not presently exercisable; and a proportionate interest in portfolio stock held by a corporation in which you are a controlling shareholder or as to which you have or share investment control over the portfolio.

### WILL THE COMPANY ASSIST ME WITH MY SECTION 16 REPORTING REQUIREMENTS?

The Company has designated the Assistant Corporate Secretary to assist Section 16 officers and directors in preparing and/or reviewing all Form 3, Form 4 and Form 5 filings. To avoid any problems, if you are a Section 16 officer or director, you should immediately inform the Assistant Corporate Secretary whenever you contemplate changes in your holdings of Company stock so that the relevant forms can be timely prepared and filed.

### PROHIBITION ON TRADING DURING PENSION FUND BLACKOUTS

Under Regulation Blackout Trading Restriction (BTR), Company directors and Section 16 officers are prohibited from purchasing and selling Company stock during a "pension plan



blackout period” in which plan participants may not engage in transactions in Company stock, so long as the stock was acquired in connection with the director’s or executive officer’s service or employment as a director or executive officer.

### WHO IS COVERED BY REGULATION BTR?

Regulation BTR applies to all directors and Section 16 officers of the Company, as described above.

### WHAT IS A “BLACKOUT PERIOD”?

A “blackout period” is any period of more than three consecutive business days during which the ability of at least 50% of the participants under all of the Company’s “individual account plans” to effect transactions in Company stock is temporarily suspended. An “individual account plan” is defined in the same manner as under ERISA, and includes 401(k) plans, profit sharing and savings plans, stock bonus plans, money purchase pension plans and certain non-qualified deferred compensation arrangements. Only a plan that permits investment in Company stock is covered.

A blackout period does not include, among other things, any regularly scheduled trading suspension that is incorporated into the plan, if the employee had notice before enrolling, within 30 days after enrolling, in the plan, or within 30 days after the adoption of the amendment providing for the suspension.

### WHAT SECURITIES ARE COVERED?

Regulation BTR covers not only Company stock, but also any derivative security (such as options or warrants) relating to the Company, whether or not issued by the Company.

By its terms, Regulation BTR prohibits transactions in Company securities only if the security was acquired “in connection with service or employment as a director or Section 16 officer.” This is broadly defined, and includes securities acquired by a director or Section 16 officer:

- Under a contract with or compensation plan of the Company or an affiliate;
- As a result of a related-party transaction required to be disclosed in the Company’s SEC filings;
- As “directors’ qualifying shares”; or
- Otherwise as an inducement to service or employment, or as a result of an acquisition transaction involving the Company.

You may own both securities that are covered by Regulation BTR and securities that are not. For example, you may own both shares purchased upon the exercise of employee stock options (which would be covered shares) and shares purchased in open market transactions (which would not be covered shares). Regulation BTR establishes an “irrebuttable presumption” that any equity securities sold or transferred during a blackout period were covered securities to the extent that the director or Section 16 officer holds such securities, without regard to the

actual source of the securities sold. In other words, if you hold covered securities, you cannot claim that securities sold during a blackout period were different securities that were not covered. For example, assume that you own 250 shares of covered securities and 250 shares of uncovered securities. If you sold shares during any pension fund blackout period, the first 250 shares sold would be presumed to be your covered securities.

### ARE ANY TRANSACTIONS EXEMPT FROM THIS PROHIBITION?

There are a limited number of exemptions, including the acquisition of Company stock under the Company's Dividend Reinvestment Plan, purchases and sales under a Rule 10b5-1 plan (so long as the plan was not made or modified during the blackout period or at a time when the director or executive officer was aware of the impending blackout period), and other transfers of securities that directors and Section 16 officers cannot control (i.e., stock splits, gifts or transfers by will and non-discretionary purchases or sales under certain employee benefit plans).

### WHAT POSSIBLE PENALTIES ARE THERE FOR VIOLATING REGULATION BTR?

If you violate Regulation BTR, you are subject to SEC enforcement action and/or criminal prosecution. Also, if you profit from the transaction, then the Company or any other Company shareholder may bring an action to recover the profit, regardless of your intention in making the trade.

### HOW WILL I KNOW IF THERE IS A PENSION FUND BLACKOUT PERIOD IN EFFECT?

The Company normally will be required to give all of its directors and Section 16 officers and the SEC at least 15 calendar days' notice of the start of a blackout period, although you may still be liable for violating Regulation BTR even if the Company fails to give this notice.

### MAY THE COMPANY MODIFY THIS POLICY?

Yes. The Company may modify this policy at any time.

### WHO DO I CALL IF I HAVE QUESTIONS?

Please remember that the ultimate responsibility for adhering to this policy and avoiding improper trading rests with you. If you have any questions concerning this policy or your obligations, please contact the Corporate Secretary's office at (808) 694-8213 or (808) 694-8058 or, the General Counsel, Mark A. Rossi, at (808) 694-8822, [mark.rossi@boh.com](mailto:mark.rossi@boh.com).