

# CHARTER

## Human Resources & Compensation Committee

*(BOHC & BOH Board Committee)*

April 27, 2018

### PURPOSE

The Human Resources and Compensation Committee (the “Committee”) is established pursuant to the By-Laws of the Bank of Hawaii Corporation (the “Corporation”). The Committee shall oversee the Corporation’s compensation, including executive compensation plans and its incentive-compensation and equity-based plans, through a process that supports the Corporation’s business objectives and incorporates sound corporate governance principles, in addition to other duties.

### ORGANIZATION

Membership: The Committee shall be comprised of at least three directors appointed by the Board and include the Lead Independent Director. All members of the Committee shall be independent directors as defined by the NYSE listing standards or other applicable laws and regulations, and pursuant to the Board’s Corporate Governance Guidelines. The Board shall have the authority to replace or remove Committee members. At the request of the Committee, members of management may attend meetings of the Committee. The Committee is authorized to adopt its own rules of procedure not inconsistent with any provision of this Charter and the articles and By-Laws of the Corporation.

Meetings and Quorum: The Committee shall meet at least four times a year and, as the need should arise, upon request of the Chairman of the Committee or any two other members of the Committee. A majority of the members of the Committee shall constitute a quorum. Notice of meetings shall be provided by the Secretary, but lack of notice shall not invalidate the proceeding of any meeting at which a quorum was present.

Subcommittee and Delegation: The Committee may appoint its own subcommittees and delegate any of its responsibilities (that do not, under applicable law, rules, regulations or stock exchange listing standards, require approval of the Committee as a whole) to a subcommittee comprised of one or more members of the Board. The subcommittee members are to be composed entirely of independent directors. Each subcommittee shall report its actions at the next practicable meeting of the Committee. Additionally, the Committee may delegate any of its responsibilities (that do not require approval of the Committee as a whole) to the Chief Executive Officer, provided that the responsibilities are with respect to matters affecting employees other than the Chief Executive Officer.

Outside Counsel: The Committee has the power, in its sole discretion, to obtain advice and assistance from, and to retain at the Corporation’s expense, such independent or outside legal counsel, accounting or other advisors and experts as it determines necessary or appropriate

to carry out its duties, and in connection therewith to receive appropriate funding, determined by it, from the Corporation.

The Committee has the sole authority to retain and terminate a compensation consultant and approve the fees and other retention terms for the consultant.

Recordkeeping and Reports: The Committee shall have a Secretary who shall keep minutes of the Committee meetings. The Secretary need not be a member of the Committee. Minutes of Committee meetings shall be made available for approval at the next practicable meeting of the Committee. Minutes or a report of Committee actions shall be provided to the full Board at the next practicable meeting of the Board.

Annual Review of Charter and Committee Evaluation: The Committee shall review and reassess the adequacy of this Charter annually and recommend to the Board any proposed changes to this Charter, and annually review the Committee's own performance.

## AUTHORITY

The authority of the Committee shall be subject to oversight by the Bank of Hawaii Corporation and the Bank of Hawaii Boards of Directors (jointly referred to as the "Board"). The Committee shall exercise all authority necessary to fulfill its responsibilities which authority includes, but is not limited to, the following:

- (a) Human Resources Strategies and Programs: The Committee has the authority to review the human resources strategies and programs of the Corporation, including the policies, procedures and actions relating to the recruitment, development and training of employees, and to oversee succession planning for Executive Officers.
- (b) Chief Executive Officer Compensation: The Committee can review and approve corporate goals and objectives relevant to the Chief Executive Officer's (the "CEO's") compensation and evaluate the CEO's performance in light of those goals and objectives, either on its own as the Committee or together with other independent directors (as directed by the Board), and determine and approve the CEO's compensation based on such evaluation.
- (c) Non-CEO Compensation: The Committee has the authority to review and approve or make recommendations to the Board with respect to non-CEO compensation, incentive compensation plans and equity-based plans.
- (d) Engaging Outside Counsel: The Committee has the authority to engage and obtain advice and assistance from internal or external legal counsel, accountants, search firms, compensation specialists and other advisors, on such terms and conditions as the Committee deems appropriate. The Committee shall also have the authority to obtain advice and assistance from officers or employees of the Corporation or its subsidiaries.
- (e) Director Compensation: The Committee can establish policies and principles for director compensation and review, assess, and make recommendations to the Board regarding director compensation for the Board's concurrence.

## **RESPONSIBILITIES**

The Committee shall exercise all authority necessary to enable it to fulfill its responsibilities and shall, to the extent it deems necessary or appropriate, perform the duties and responsibilities set forth below, including:

- (a) **Risk Mitigation:** The Committee shall review and approve compensation policies and plans that balance risk and financial results in a manner that does not encourage inappropriate conduct by employees, does not encourage employees to take excessive risks, and does not encourage risk taking beyond the Corporation's ability to identify and manage risk.
- (b) **Compensation Philosophy:** With consideration for the broader business strategy of the Corporation, the Committee shall review and approve the compensation philosophy of the Corporation and its application to subsidiaries and affiliates as deemed appropriate by the Committee.
- (c) **Chief Executive Officer Compensation:** The Committee shall have direct responsibility for reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the performance of the CEO in light of those goals and objectives, discussing the results of the evaluation with the Board's independent directors, and determining the CEO's compensation level based on the results of the evaluation. In determining the CEO's long-term compensation, the Committee shall consider, among other factors, the Corporation's performance, relative shareholder return, the competitive marketplace, and the awards given to the CEO in past years.
- (d) **Executive Officer Compensation:** The Committee shall review and approve, or make recommendations, to the full board, if applicable, the compensation of the Corporation's Executive Officers.
- (e) **Director Compensation:** The Committee shall review and assess director compensation and make such recommendations it deems appropriate to the Board for their discussion and concurrence. Additionally it is the Committee's responsibility to establish policies and principles for director compensation, to review and assess the current practices regarding director compensation in other organizations, and to make recommendations to the Board regarding director compensation for the Board's concurrence.
- (f) **Delegation:** If applicable, the Committee shall delegate to management the authority to approve equity grants, such as restricted stock, stock options and other forms of equity compensation, to employees below the Executive Officer level within specified grant guidelines approved by the Committee.

In addition, the Committee shall delegate to management the authority to approve the compensation for employees below the Executive Officer level.

- (g) **Incentive Plans:** It is the Committee's responsibility to review and approve the Corporation's long-term and short-term incentive compensation plans, equity-based plans, and deferred compensation programs.

The Committee shall review and approve participation of Executive Officers in incentive plans.

Additionally the Committee shall recommend to the full Board, or where appropriate, to approve the adoption of the Corporation's incentive stock plans and other incentive plans, approve grants of awards under such plans to employees and non-employees, approve such amendments or revisions to such incentive plans, and to take such other actions relating to the plans as deemed appropriate by the Committee.

In addition, the Committee shall review incentive plans, budgets, and consolidated incentive plan payouts relative to the financial contribution and related risks of the business unit.

- (h) Compensation Consultant Independence: The Committee shall be responsible for determining the existence of any conflicts of interest with any compensation consultant and to annually assess the independence of the Company's compensation consultants. Pursuant to Section 10C of the Securities Exchange Act of 1934 as amended, and other applicable laws and regulations, the Committee shall consider the following factors in determining the independence of any compensation consultant to be retained by the Committee and whether a conflict of interest exists:
- The provision of other services to the Company by the firm employing the adviser;
  - The amount of fees received from the Company by the firm that employs the adviser, as a percentage of the firm's total revenues;
  - The policies or procedures of the firm employing the adviser that are designed to prevent conflicts of interest;
  - Any business or personal relationship of the adviser with a member of the Committee;
  - Any stock of the Company owned by the adviser; and
  - Any business or personal relationships between the executive officers of the Company and the adviser or the firm employing the adviser.
- (i) Employee Development and Succession: It is the Committee's responsibility to review the management development and training programs for employees, to review succession planning for Executive Officers, and to define the level of employees to be considered for purposes of this Charter.
- (j) Committee Report: The Committee shall produce a Committee report as required by the SEC to be included in the Corporation's annual proxy statement, and to review and discuss with management the Corporation's disclosures under the "Compensation Discussion and Analysis ("CD&A"), and based on such review and discussion, make recommendations to the Board as to whether the CD&A should be included in the Corporation's annual report and annual proxy statement.
- (k) Shareholder Engagement: It is the Committee's responsibility to engage with shareholders and shareholder proxy advisory firms concerning human resources and compensation related matters.
- (l) Other Duties: The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.

