

Territorial Bancorp Inc.
Policy Regarding Majority Voting for Directors
(As Adopted by the Board of Directors, January 12, 2016)

The Board of Directors of Territorial Bancorp Inc. (the “Company”) believes that each Director of the Company should have the confidence and support of the Company’s stockholders (the “Stockholders”) and, to this end, the Board has unanimously adopted the following majority voting policy (the “Policy”), which shall be utilized for the election of any Director at any meeting of stockholders for uncontested elections and shall not be applicable for contested elections. For the purpose of this Policy, an “uncontested election” shall mean an election of Directors where the only Director nominees are those individuals recommended by the Board of Directors of the Company.

Pursuant to this Policy, any incumbent Director nominee in an uncontested election who receives a greater number of votes “WITHHELD” than votes cast “FOR” at the stockholders meeting shall promptly tender his or her proposed resignation (the “Resignation”) following certification of the stockholder vote. Such Resignation shall be made in writing delivered to the Corporate Secretary, and may be in the form of electronic mail or message.

The Nominating and Corporate Governance Committee (the “Committee”) will promptly consider the Resignation and will recommend to the Board whether to accept the Resignation or to take other action, including rejecting the Resignation and addressing any apparent underlying causes of the failure of the Director to obtain a majority of votes “FOR” such nominee. When considering the Resignation and making its recommendation, the Committee will consider all factors deemed relevant by its members including, without limitation, the underlying reasons for the stockholder’s WITHHELD votes for the Director (to the extent ascertainable), the length of service and qualifications of the Director, the Director’s contributions to the Company, whether the acceptance or rejection of the Resignation will have any adverse affect on the Company’s compliance with any applicable law, rule, regulation or governing document, to determine whether the acceptance of the Resignation is in the best interests of the Company and its stockholders.

The Board will act on the Committee’s recommendation no later than at its first regularly scheduled meeting following certification of the stockholder vote, but in any case, no later than 90 days following the certification of the stockholder vote. In considering the Committee’s recommendation, the Board will consider the factors considered by the Committee and such additional information and factors the Board believes to be relevant. The Company will promptly publicly disclose the Board’s decision and process in a periodic or current report filed with or furnished to the U.S. Securities and Exchange Commission.

Any Director who tenders his or her Resignation will not participate in the Committee’s or full Board’s deliberations, considerations or actions regarding whether or not to accept the Resignation or take any other related action. However, during the period of review of the Resignation by the Committee and Board, the subject Director shall remain a Director of the Company and shall fully discharge their duties and responsibilities as a Director or committee

member with the exception of any deliberations and considerations of the Committee and Board concerning the Resignation.

If a majority of the members of the Committee are required to tender a Resignation at the same election, then the other independent Directors of the Board will appoint a special Board committee amongst themselves solely for the purpose of considering the Resignations and will recommend to the Board whether to accept, reject or take other action as to the Resignations

This corporate governance policy will be summarized or included in each proxy statement relating to an election of directors of the Company.

Adopted: January 2016