

**TERRITORIAL BANCORP INC.  
STOCK OWNERSHIP GUIDELINES**

The Board of Directors of Territorial Bancorp Inc. has determined that, in order to more closely align the financial interests of certain executive officers of Territorial Bancorp Inc. with those of the shareholders of Territorial Bancorp Inc., certain executive officers should be required to hold significant ownership in Territorial Bancorp Inc. common stock (the “Common Stock”). As a result of this determination, the Board of Directors has approved and adopted these Stock Ownership Guidelines.

**Application**

These Stock Ownership Guidelines apply to the Chief Executive Officer and each other individual identified as a Named Executive Officer (as defined in the compensation disclosure regulations promulgated under the Securities Exchange Act of 1934, as amended) for at least one of the last three fiscal years reported in the “Summary Compensation Table” in the most recent proxy statement filed by Territorial Bancorp Inc. (each a “Covered Participant”); provided, however, that these Stock Ownership Guidelines shall not apply to a Covered Participant after the effective date of his or her retirement or resignation from Territorial Bancorp Inc. .

**Minimum Level of Stock Ownership**

Each Covered Participant must beneficially own Common Stock at a minimum ownership level for as long as he or she is a Covered Participant, as follows:

<i>Position of NEO</i>	<i>Minimum Ownership Level</i>
Chief Executive Officer	5x base salary
Co-Chief Operating Officers	2x base salary

Base salary shall be calculated as of December 31, 2014, or such later date that the individual first became a Covered Participant. The market value of the stock is based on the closing price of Territorial Bancorp Inc. stock on December 31, 2014, or such later date that the individual first became a Covered Participant Officer.

The base salary for the Covered Participants for 2014 as referenced in the 2015 Proxy Statement was:

CEO - \$851,124 (5x) = \$4,255,620  
Co-COO - \$305,847 (2x) = \$611,694

The applicable ownership level for Covered Participants must be achieved within five years after the Named Executive Officer first becomes subject to the Guidelines, and must be maintained thereafter for as long as the individual remains a Covered Participant.

## **Shares Counted for Stock Ownership**

Shares of Common Stock that count toward satisfaction of these Stock Ownership Guidelines include:

- shares beneficially owned by the Covered Participant (including shares held by his or her family members living in the household of the Covered Participant or held in trust for the benefit of the Covered Participant or his or her immediate family members), including shares held in the Territorial Savings Bank 401(k) Plan and other retirement accounts or deferred compensation plans and shares held indirectly through partnerships, trusts or other entities to the extent the Covered Participant has an economic interest in such shares.
- shares owned directly, including restricted shares and shares deliverable in settlement of restricted or unrestricted stock units, but excluding restricted shares/restricted stock units that remain subject to achievement of performance goals.

Stock Ownership will not include shares underlying outstanding stock options or otherwise subject to a right to acquire, except to the extent expressly provided above.

## **Exceptions**

In the event these Stock Ownership Guidelines place a severe financial hardship on a Covered Participant, or prevent such Covered Participant from complying with a court order, the Nominating and Corporate Governance Committee may, in its discretion, develop an alternative stock ownership guideline for the Covered Participant that reflects the intention of these Stock Ownership Guidelines and his or her personal circumstances. The Nominating and Corporate Governance Committee may also, in its discretion, consider exceptions for charitable gifts, estate planning transactions, and certain other limited circumstances.

## **Restriction on Sale of Shares**

A Covered Participant is prohibited from selling any shares of Common Stock unless the Covered Participant is in compliance with the Stock Ownership Guidelines.

## **Administration**

These Stock Ownership Guidelines shall be administered and interpreted by the Nominating and Corporate Governance Committee. The Compensation Committee will monitor and review the ownership levels of Covered Participants on an annual basis.

Amended: June 2019