

AUDIT COMMITTEE CHARTER

PURPOSE

The purpose of the Audit Committee (the “Committee”) of the Boards of Directors (the “Boards”) of First Hawaiian, Inc. (“FHI”) and First Hawaiian Bank (“FHB”) (FHI and FHB being collectively referred to herein as the “Company”) is to assist the Boards with respect to the oversight of:

- the audits of the Company’s financial statements and the Company’s accounting and financial reporting processes;
- the Company’s compliance with legal and regulatory requirements;
- the appointment, dismissal, compensation, qualifications and independence of the independent registered public accounting firms (the “independent auditors”);
- the performance of the Company’s independent auditors and the internal audit function;
- the preparation of the report required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission (the “SEC”) for inclusion in FHI’s annual proxy statement;
- the Company’s systems of disclosure controls and procedures;
- the Company’s internal controls over financial reporting;
- the Company’s compliance with ethical standards adopted by the Company; and
- fulfilling the other responsibilities set forth in this charter (this “Charter”).

The Committee will also perform any and all duties required of it under any applicable law, regulation, directive, guideline or regulatory or judicial precedents or authorities and orders of any applicable governmental authority.

Although the Committee has the duties and responsibilities set forth herein, the function of the Committee is oversight. Management of the Company is responsible for the preparation, presentation, and integrity of the Company’s financial statements and for the effectiveness of internal controls over financial reporting. Management and the internal audit function are responsible for maintaining appropriate accounting and financial reporting principles and policies, as well as internal controls and procedures designed to provide reasonable assurance of compliance with accounting standards and related laws and regulations. The internal audit division is responsible for providing reliable and timely information to the Committee and senior

management concerning the quality and effectiveness of, and the level of adherence to, the Company's control and compliance procedures and risk management programs. The independent auditors are responsible for planning and carrying out an audit of the Company's annual financial statements and of the Company's internal control over financial reporting, reviews of the Company's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Committee or its members to conduct auditing or accounting reviews or procedures or to set auditor independence standards.

COMMITTEE MEMBERSHIP

The Committee will be comprised of at least three (3) directors, all of whom:

- are "independent" directors, *i.e.*, those directors who the applicable Board has determined (a) are not, and have not been within the past three (3) years, an officer or employee of the Company or its subsidiaries; (b) do not have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director; and (c) otherwise meet the applicable standards of independence as defined by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 5605(a)(2) of The NASDAQ Stock Market ("NASDAQ"), and any other independence standards adopted by the applicable Board;
- are outside directors independent of management, as contemplated by Section 363.5 of the Federal Deposit Insurance Corporation ("FDIC") Rules and Regulations and interpretations thereunder, as determined by board of directors of FHB;
- are not considered large customers of the Company, as "large customer" is defined by Section 363.5 of the FDIC Rules and Regulations and interpretations thereunder, as determined by the board of directors of FHB;
- have not participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three (3) years;
- may not accept any direct or indirect consulting, advisory or other compensatory fee from the Company other than compensation for their service as a member of the Committee, the Boards or any other committee of the Board or be an affiliated person of the Company or a subsidiary thereof; and
- have banking or related financial management expertise and be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

At least one (1) member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background which results in the member's financial sophistication. At least one (1) member of the Committee must qualify as an "audit committee financial expert" as defined by the SEC, as determined by the board of directors of FHI.

The Boards, based on the recommendations of the Corporate Governance and Nominating Committee, appoint the members of the Committee, and members serve at the pleasure of the Boards, for such term or terms as the Boards may determine.

The Boards, based on the recommendations of the Corporate Governance and Nominating Committee, will designate one (1) member of the Committee as its chair (the "Chair"). In the absence of the Chair at any meeting of the Committee, the members of the Committee may designate one (1) of its members to serve as the Chair of the meeting.

COMMITTEE OPERATIONS

The Committee will meet at least once every fiscal quarter, or more frequently as circumstances dictate, at such time and place, if any, or by means of remote communication, as the Chair may determine. Further meetings will occur, or actions will be taken by unanimous written consent, when deemed necessary or desirable by the Committee or the Chair. The Committee will meet in executive session, outside the presence of management, at least twice a year to discuss such matters as it may deem appropriate. In addition, the Committee should meet separately with management, the Chief Audit Executive and the independent auditors to discuss any other matters that the Committee or any of these persons or firms believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum. At every meeting of the Committee at which a quorum is present, the vote of a majority of the members of the Committee present shall be the act of the Committee. In the event of a tie vote on any issue, the Chair's vote shall decide the issue.

The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of FHI's Amended and Restated Certificate of Incorporation, FHB's Articles of Incorporation, FHI's or FHB's Amended and Restated Bylaws (the "Bylaws"), this Charter or any applicable corporate governance guidelines or Board resolutions.

The Committee will maintain free and open communication with the Boards. The Committee will make regular reports to the Boards regarding actions taken by the Committee. The Committee also will maintain minutes or other records of its meetings, activities and decisions.

The Committee may request any officer or employee of the Company, the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or serve as consultants to, the Committee.

In carrying out its responsibilities, the Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented by (i) officers and other employees of the Company or its subsidiaries whom such member believes to be reliable and competent in the matters presented, and (ii) counsel, public accountants, consultants, advisors or other persons with respect to matters that the member believes to be within the professional competence of such person.

COMMITTEE RESPONSIBILITIES

The following are the duties and responsibilities of the Committee:

Oversight of Independent Auditors

The Committee will:

1. Be directly responsible for the appointment, compensation, retention, removal (if circumstances warrant) and oversight of the work of the independent auditors and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or to perform audit, review or attestation services, which auditors and firms shall report directly to the Committee.
2. Resolve disagreements regarding financial reporting between management and the independent auditors.
3. Pre-approve, or adopt procedures to pre-approve, all audit and non-audit services to be provided by the independent auditors consistent with the limitations on such services prescribed by law (with the power to delegate the authority to pre-approve any such services to one (1) or more of the Committee's members subject to subsequent ratification by the full Committee at its next regularly scheduled meeting).
4. Consider whether the independent auditor's provision of permissible non-audit services is compatible with the independent auditor's independence.
5. Actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take appropriate actions to oversee the independence of the independent auditor.
6. Review all audit engagement fees and terms, including the independent auditors' engagement letters to ensure conformity with applicable laws and regulatory requirements.
7. Discuss with the independent auditor the matters required to be discussed under the standards of the Public Company Accounting Oversight Board (the "PCAOB").

8. Discuss with the independent auditors any significant issues arising from the most recent PCAOB inspection of the independent auditors, to the extent relevant to the Company, including the independent auditor's response to any identified accounting deficiencies.
9. Review with the independent auditor any problems or difficulties encountered during the course of the audit, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management, together with management's response.
10. Obtain from the independent auditors in connection with any audit report filed with the SEC, a timely report relating to the Company's annual audited financial statements describing the following:
 - a. All critical accounting policies and practices;
 - b. All alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
 - c. Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.
11. Obtain and review annually the formal written statement submitted by the independent auditors (the "Auditors' Statement"), it being understood that the independent auditors are responsible for the accuracy and completeness of that Auditors' Statement, and review and discuss with the independent auditors any relationships or services disclosed in the Auditors' Statement that may affect the quality of audit services or the objectivity and independence of the independent auditors. The Auditor's Statement shall describe:
 - a. the auditors' internal quality-control procedures;
 - b. any material issues raised by the most recent internal quality-control review, PCAOB review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five (5) years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and
 - c. all relationships between the independent auditors and the Company, including the matters set forth in the letter from the independent accountant required by the applicable requirements of the PCAOB

12. Obtain and review any reports or communications required to be provided by the independent auditors pursuant to applicable Public Company Accounting Oversight Board (“PCAOB”) standards, federal securities laws or SEC rules.
13. Review and evaluate the qualifications, performance and independence of the lead partner of the independent auditors and ensure that all partner rotation requirements, as promulgated by applicable rules and regulations, are executed.
14. Taking into account the opinions of management and the Chief Audit Executive and Audit Division, assess the independent auditors’ qualifications, performance and independence.
15. Establish hiring policies for employees or former employees of the independent auditors.

Oversight of Accounting and Financial Reporting Matters and Internal Controls

The Committee will:

1. Review and discuss with management and the independent auditors the annual audited consolidated financial statements and quarterly financial statements of the Company, including the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”) prior to the filing of the respective Annual Report on Form 10-K or Quarterly Report on Form 10-Q.
2. Discuss the results of the annual audit and the quarterly reviews and any other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards.
3. Review FHI’s and FHB’s quarterly and annual financial statements with management.
4. Recommend to the board of directors of FHI that the audited financial statements be included in FHI’s Annual Report on Form 10-K.
5. Understand the scope of the audit plan, including the independent auditors’ review of internal control over financial reporting.
6. Receive, review and discuss any disclosure from the Company’s CEO and CFO made in connection with the certification of the Company’s quarterly and annual reports filed with the SEC of:
 - a. significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize, and report financial data; and

- b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
- 7. Review and discuss, as appropriate, with management, the independent auditors and, if appropriate, the Chief Audit Executive:
 - a. any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
 - b. analyses prepared by management or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
 - c. any material issue where the national office of the independent auditor's firm was consulted; and
 - d. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- 8. Discuss any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company.
- 9. Review and discuss the type and presentation of information to be included in earnings press releases and other written public disclosures, paying particular attention to any pro forma or adjusted non-GAAP information.
- 10. Prepare any report or other disclosures, including any recommendation of the Committee, required by the rules of the SEC to be included in the Company's annual proxy statement.

Oversight of the Audit Division

The Committee will provide oversight of the internal audit function performed by the Audit Division under the direction of the Chief Audit Executive. The Committee will:

- 1. Approve the appointment, compensation, evaluation, replacement and dismissal of the Chief Audit Executive.
- 2. Review the activities and organizational structure of the internal audit function, as well as the qualifications of its personnel.
- 3. Review and approve the charter of the Audit Division, risk assessment methodology, audit plan, budget and staffing levels, resource allocation, and

organizational structure of the Company's internal audit activities, and significant changes thereto.

4. Review and approve outsourced or co-sourced internal audit activities of the Company.
5. Review periodic communications from the Chief Audit Executive on the completion status of the annual internal audit plan, including reports of significant issues and recommendations, as well as significant difficulties, disagreements with management or scope restrictions encountered in the course of the Audit Division's work.

Review of Compliance and Regulatory Matters

The Committee will periodically review reports prepared by and for management, addressing the Company's compliance with laws and regulations. The Committee will:

1. Review reports by management on the results of the Company's regulatory examinations and monitor follow-up actions, as necessary, including the Company's corrective action programs and timetables for implementation.
2. Receive periodic briefings on proposed or existing regulations that could significantly impact compliance risks related to the Company's business activities, including periodic briefings on the nature of the regulatory environment.
3. Review reports prepared by management on the Company's program for monitoring compliance with laws and regulations.

Oversight of Complaints Regarding Accounting, Auditing, Ethics and Compliance Matters

The Committee will:

1. Oversee procedures for the submission, retention and treatment of complaints regarding accounting, internal accounting controls or audit matters, including procedures for confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters.
2. Review and address complaints received by the Company regarding questionable accounting or auditing matters, fraud, bribery, legal or regulatory non-compliance or possible violations of applicable laws, pursuant to the Company's Whistleblower Policy.
3. Review and address any reports concerning material violations submitted to it by Company attorneys or outside counsel pursuant to the SEC attorney professional responsibility rules or otherwise.

4. Oversee, review and periodically update the Company's Code of Business Conduct and Ethics (the "Code of Ethics") and the Company's system to monitor compliance with and enforcement of the Code of Ethics.
5. Review and discuss any complaints received by the Company regarding violations of the Company's Code of Ethics.
6. Review and make recommendations to the Boards regarding whether to grant waivers under the Code of Ethics for directors or executive officers of the Company.
7. Review and approve all related party transactions of the Company in accordance with the policies of the Company in effect from time to time.

Additional Responsibilities

The Committee will:

1. Review and reassess the adequacy of this Charter at least annually and recommend any changes to the Board.
2. Report its activities to the Boards on a regular basis and make such recommendations with respect to the above and other matters as the Committee may deem necessary or appropriate.
3. Prepare and review with the Boards, in consultation with the Nominating and Corporate Governance Committee, an annual performance evaluation of the Committee, which evaluation will compare the performance of the Committee with the requirements of this Charter. The performance evaluation will be conducted in such manner as the Committee, in consultation with the Nominating and Corporate Governance Committee, deems appropriate. The report to the Boards may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
4. Perform any other duties or responsibilities expressly delegated to the Committee by the Boards from time to time.

RESOURCES AND AUTHORITY OF THE COMMITTEE

The Committee will have the resources, funding and authority appropriate to discharge its responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special or independent counsel, accountants or other experts, advisors and consultants, as it deems necessary or appropriate, without seeking approval of the Boards or management, and to determine the compensation to be paid by the Company to such accountants, counsel, experts or advisors.

The Company will provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Boards, for payment of:

- Compensation to the independent auditors and any other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- Compensation to any advisors employed by the Committee; and
- Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

DELEGATION TO SUBCOMMITTEE

The Committee may, in its discretion, delegate all or a portion of its duties to a subcommittee comprised of one (1) or more members of the Committee. The Committee may also, in its discretion, delegate to one (1) or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, and to approve internal audit co-sourcing and outsourcing arrangements, provided that any such approvals are presented to and ratified by the Committee at its next scheduled meeting.

AMENDMENTS

This Charter may be amended by means of an express resolution of the applicable Board.