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Definitions Associated With Trustee Conflicts of Interest Policy

A. Conflicts of Interest Defined

A Conflict of Interest is defined as an activity or relationship with another company or individual that would result in questionable ethics, would not be in the best interest of KSBE, would result in personal profit or advantage to a Trustee.

2. Conflicts of Interest arise if a Trustee enters relationships, takes action or establishes an economic interest for the Trustee’s or another’s personal gain which compromise the Trustee’s ability to represent KSBE’s best interest. This includes Immediate Family or any other relationships which might (or might be construed to) appear to be a motive to unfairly influence or take advantage of business matters involving KSBE.

3. Conflicts of Interest are also defined to include any unauthorized use or application of any confidential or proprietary information (information which is the property of KSBE) to the detriment of KSBE, especially where this results in personal gain to the Trustee, his/her Immediate Family, friends or any other person or entity in which the Trustee has a personal interest, either directly or indirectly.

B. Immediate Family means a Trustee’s spouse, father, mother, children, brothers, sisters and grandchildren; the father, mother, brothers and sisters of such Trustee’s spouse; and the spouse of a child, brother or sister of such Trustee.
II

Situations Which Could Lead to Trustee Conflicts of Interest

A. Personal Interest in Contract or Transaction

When a Trustee has a financial or personal interest in a contract or transaction to which KSBE is also a party, or has actual knowledge of an Immediate Family member having such interest, the Trustee may have an actual or potential Conflict of Interest.

B. Directors, Officers, or Trustees in Common With the Other Organization

When KSBE enters into a contract or transaction with another organization in which a Trustee simultaneously serves as a director or officer of the other organization, or an Immediate Family member of a Trustee simultaneously serves as a director or officer of the other organization and such Trustee has actual knowledge of such Immediate Family member’s position or title, the Trustee may have an actual or potential Conflict of Interest.

A limited exception applies where a Trustee serves as a director or officer of an organization that is, directly or indirectly, owned or controlled by KSBE, or where a Trustee serves in such capacity at the request of (or upon election by) the other Trustees.

C. Corporate Opportunity

A corporate opportunity issue arises when a Trustee pursues, or has actual knowledge of an Immediate Family member pursuing, an investment opportunity in which KSBE may also have an interest.

Under certain circumstances, the Trustee should make such investment opportunity available to KSBE before the Trustee or Immediate Family member pursues the opportunity for his or her own account. Whether such opportunity must first be offered to KSBE will depend on such factors as:

1. the circumstances in which the Trustee became aware of the opportunity,
2. the degree of interest of KSBE in the opportunity,
3. whether the opportunity relates to KSBE’s business, and
4. whether there is a reasonable basis for KSBE to expect that the Trustee should make the opportunity available to KSBE.

Trustees shall not knowingly participate in investments in which KSBE or any of its subsidiaries are parties; except for publicly-traded companies in which neither KSBE, its subsidiaries, the Trustees nor any combination of them will have a 5% or more interest and where such investment is not otherwise prohibited by applicable law or securities regulation. Provided, however, that this shall not preclude a Trustee's personal investment in mutual funds and similarly pooled investments nor KSBE's investment in publicly traded companies where such investments are made and monitored by independent investment managers.

D. Gifts, Gratuities, Excessive Entertainment

A Conflict of Interest may arise if a Trustee receives gifts, gratuities, or excessive entertainment from any company with which KSBE has or is contemplating business dealings.

The Trustee should return any such gifts. If immediate return is not practical, they should be given to KSBE for charitable disposition or such other disposition as the Board feels appropriate. Trustees are urged to make this policy known to those with whom the Trustees deal so that these situations do not arise.

Note: Exceptions include gifts involved in cultural exchanges or nominal tokens of friendship, especially on special occasions. Gifts in this category should normally not exceed the IRS business deduction of $25.

E. Confidential, Proprietary, or Privileged Information

A Conflict of Interest may arise if a Trustee takes advantage of proprietary or confidential information obtained through KSBE which results in personal gain for the Trustee, his/her Immediate Family or friends, or related entity, or using this information against the best interest of KSBE.

Release of confidential and/or non-public information regarding KSBE or obtained through KSBE is prohibited unless approved by the Board. If a Trustee gives speeches or interviews, or prepares articles which might contain sensitive and/or confidential information, he/she should clear such items with the Board prior to release.
F. Political Activities

Trustees may support political parties and candidates of their choice on their own time and with their own money. KSBE staff and assets, including stationery, letterhead, logo, equipment, supplies, vehicles, and facilities shall not be used for promotion of specific candidates.

2. If a Trustee supports political parties or candidates, he/she must affirmatively disclose, whenever appropriate, that the political views are his/her own and not in any way a representation of KSBE's position. It is the Trustee’s responsibility to make certain that no misunderstanding or misrepresentation occurs which may lead another to believe that his/her views represent those of KSBE.

3. If a Trustee is nominated to serve on a public commission or board, he/she should review the situation with the Board prior to making formal application or accepting an appointment. This review will ensure that the Trustees’ paramount obligation to KSBE will not be compromised.
III
Guidelines to Address Trustee Conflicts of Interest

Trustees should clearly avoid any potential or actual Conflict of Interest. The following guidelines and procedures should be applied in the event a potential or actual Conflict of Interest arises.

A. Disclosure of Material Facts at a Board Meeting

The Trustee who may have an actual or potential Conflict of Interest (the "Conflicted Trustee"), should inform the non-conflicted Trustees (the "Non-Conflicted Trustees") of all relevant facts and circumstances.

2. The Conflicted Trustee is responsible to disclose all material facts concerning an actual or potential Conflict of Interest involving the Conflicted Trustee, or the Conflicted Trustee's Immediate Family member of which the Conflicted Trustee has actual knowledge, at a Trustees' meeting as soon as such potential or actual Conflict of Interest is discovered, and before any action is taken on the contract or transaction.

3. After disclosure of the interest and all material facts, the Conflicted Trustee should leave the Board meeting. No contract or transaction between KSBE and a Conflicted Trustee or a Conflicted Trustee’s Immediate Family member shall be permitted unless the Non-Conflicted Trustees, having full knowledge of the disclosure, approve the contract or transaction by a requisite vote.

4. Minutes of the Board meeting should accurately reflect the disclosure made by, and the non-participation of, the Conflicted Trustee (see Article V, Records of Proceedings).

B. Review of the Fairness of the Transaction

To be valid, contracts or transactions which involve one or more Trustees, or one or more of a Trustee’s Immediate Family, must be considered “fair and reasonable” to KSBE in the judgment of the Non-Conflicted Trustees by a requisite vote after a complete and objective review of all of the material terms of the contract or transaction. To be “fair and reasonable” the consideration and terms of the contract or transaction must be at least as favorable to KSBE as it would have been in an arms-length transaction with an unrelated third party.
2. A Conflicts of Interest review is required when there are contracts or transactions between:

   a. KSBE and one or more of its Trustees or their Immediate Family members;

   b. KSBE and any other organization in which one or more Trustees or their Immediate Family members have a financial interest; or

   c. KSBE and any organization for which one or more Trustees or their Immediate Family members simultaneously serves as a member of the organization's board of directors or as an officer.

C. Obtain Court Approval

Any provision of this Conflicts Of Interest policy notwithstanding, if the duty of a Trustee and the Trustee's individual interest or the Trustee's interest as trustee of another trust, conflict in the exercise of a trust power, the power may be exercised only by court authorization (except as provided in Section 554A-3(c)(1), (5), (17, and (23), Hawaii Revised Statutes, upon petition pursuant to Section 554A-5(b), Hawaii Revised Statutes.
IV

Violations of the Conflicts of Interest Policy

A. If any Trustee has reasonable cause to believe that another Trustee has failed to disclose actual or potential Conflicts of Interest, he/she shall inform the suspected Trustee of the basis for such belief and afford the suspected Trustee an opportunity to explain the alleged failure to disclose.

B. If the suspected Trustee believes that no actual or potential Conflict of Interest exists, and if no resolution is reached, the Trustee shall petition for instructions pursuant to Section 554A-5(b), Hawaii Revised Statutes.

C. If any Trustee determines that the suspected Trustee has in fact knowingly failed to disclose an actual or potential Conflict of Interest, he or she shall petition for instructions pursuant to Section 554A-5(b), Hawaii Revised Statutes. If the failure to disclose is unintentional, the Trustee shall inform the Non-Conflicted Trustees of the matter at a Board meeting and the Non-Conflicted Trustees promptly shall take appropriate action to address the Conflict of Interest, including, if warranted, by filing a petition pursuant to Section 554A-5(b), Hawaii Revised Statutes, and shall ensure that such failure to disclose does not recur.
V
Records of Proceedings

The minutes of the Board meeting shall contain:

A. the name(s) of the Trustee(s) who disclosed or otherwise were found to have a personal or financial interest in connection with an actual or potential Conflict of Interest, the nature of the personal or financial interest, any action taken to determine whether a Conflict of Interest was present, and the Board’s decision as to whether a Conflict of Interest in fact existed.

B. the names of the persons who are present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.
VI

Disclosure of Financial and External Activities

Annual Disclosure

A. All Trustees annually must complete a “Trustees’ Disclosure of Financial Interests and External Activities” form. This disclosure form includes information on all actual or potential Conflicts of Interest involving a Trustee, or those involving a Trustee’s Immediate Family member of which the Trustee had actual knowledge, and an itemization of all existing directorships and offices held in any corporate entity, whether for profit or not for profit.

B. As new Trustees join the Board, he or she will complete the “Trustees’ Disclosure of Financial Interests and External Activities” form.

C. Completed “Trustees’ Disclosure of Financial Interests and External Activities” forms shall be retained by KSBE’s Internal Auditor and copies shall be available upon request for review by the Attorney General as parens patriae and the court-appointed master.
KAMEHAMEHA SCHOOLS BERNICE PAUAHI BISHOP ESTATE

TRUSTEE'S ANNUAL DISCLOSURE OF FINANCIAL INTERESTS AND EXTERNAL ACTIVITIES

Part VI of the Conflicts of Interest Policy for the Board of Trustees of the Kamehameha Schools Bernice Pauahi Bishop Estate (the "Conflicts Policy"), requires that all Trustees annually complete a disclosure that includes information on all actual or potential conflicts of interest involving the Trustee, and those involving the Trustee's Immediate Family member of which the Trustee has actual knowledge, and an itemization of all existing directorships and offices held by the Trustee in any entity, whether for-profit or not-for-profit.

Completed disclosure statements are given to KSBE's General Counsel and retained by the Legal Group as attorney-client privileged communications. Copies are provided annually to the Court-appointed Master and may be subject to review by the Attorney General of the State of Hawaii as parens patriae.

The undersigned Trustee has received, read and reviewed the Conflicts Policy and, in compliance with the Conflicts Policy, makes the following disclosures and representations to General Counsel and the Court-appointed Master:

A. All existing directorships and offices held by the undersigned Trustee in any entity, whether for-profit or not-for-profit, are enumerated on the attached page.

B. All actual and potential conflicts of interest, as defined in the Conflicts Policy, which involve the undersigned Trustee or the undersigned Trustee's Immediate Family (as defined in the Conflicts Policy) and, in the latter case, of which the undersigned Trustee has knowledge, are described on the attached page.

C. To the best of my knowledge, information and belief, (i) KSBE has not entered into any transactions with me, members of my Immediate Family (as defined in the Conflicts Policy) nor with entities, organizations or businesses with which I or members of my Immediate Family are affiliated or in which I or members of my Immediate Family have an interest except such as are fully and fairly disclosed on the attached page(s); (ii) any such transactions were made for full and fair consideration as if the affiliation or interest did not exist, and only after full disclosure by me to General Counsel and to the Board of Trustees of the material facts of the affiliation, interest or relationship; and (iii) I did not participate or assist in or influence in any manner the negotiation, presentation, and decision-making concerning the transaction and its circumstances.

Signature ___________________________ Date ____________

Print Name ___________________________
TRUSTEE'S ANNUAL DISCLOSURE OF FINANCIAL INTERESTS
AND EXTERNAL ACTIVITIES

STATEMENT OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST

The following statement describes all actual or potential conflicts of interest, as defined in the Conflicts of Interest Policy, which involve (i) the undersigned Trustee or my Immediate Family (of which I have knowledge) and identifies the persons or entities involved, the nature of the actual or potential conflict, and other relevant information. (Examples: Trustee's son John Smith holds a KSBE industrial property lease, TMK 1-1-1:01; Trustee's daughter Mary Jones owns a KSBE leasehold apartment in the ABC Condominium; Trustee's niece Jane Doe is an attorney with Lee & Lee, which represents KSBE in various matters; Trustee is a shareholder in XYZ, Inc., which provides landscaping services to Royal Hawaiian Shopping Center; Trustee is a limited partner in ZZZ Limited Partnership, which operates a chain of retail stores known as "Z's", with an outlet at Windward Shopping Center.)
TRUSTEE'S ANNUAL DISCLOSURE OF FINANCIAL INTERESTS
AND EXTERNAL ACTIVITIES

SCHEDULE OF ALL EXISTING DIRECTORSHIPS AND OFFICES HELD

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Office Held</th>
<th>Compensated?</th>
<th>Nature of Entity's Business</th>
<th>Is the Entity For Profit or Not For Profit?</th>
<th>Does the Entity Do Business with KSBE?</th>
</tr>
</thead>
</table>

Signature