

SUMMARY OF PROPOSED TERMS AND CONDITIONS

Former Hawaii banking executive Mr. Allan Landon is expressing a preliminary indication of interest in facilitating (a) a recapitalization of Territorial Bancorp Inc. (“Territorial”) by multiple unaffiliated third party investors (the “Investors”), including Blue Hill Advisors LLC (“Blue Hill”) as the anchor investor (the “Investment”), followed immediately by (b) a liquidity opportunity for Territorial’s shareholders in the form of an issuer self-tender offer (the “Tender Offer” and, together with the Investment, the “Transactions”). Set forth below is a summary of the proposed terms and conditions (this “Term Sheet”) of the Transactions that Mr. Landon is proposing.

Term	Description
Summary of the Transactions	<p>On the terms and subject to the conditions set forth below, the Investors would make a cash equity investment in Territorial to recapitalize Territorial, in each case, in exchange for shares of a newly issued series of redeemable convertible preferred stock of Territorial (the “<u>Preferred Stock</u>”). No Investor would hold more than 24.9% of the outstanding shares of voting common stock of Territorial (the “<u>Common Stock</u>”) (after giving effect to the Transactions and on an as-converted basis). Consummation of the Investment will be subject to, among other customary terms and conditions, (i) the Investors receiving Bank Regulatory Approvals (as defined below), (ii) Territorial reconstituting its Board of Directors (the “<u>Board</u>”) at the closing of the Transactions, as described in further detail below, and (iii) Territorial agreeing to commence the Tender Offer immediately following the closing of the Investment. The Investors are expected to enter into separate investment agreements with Territorial that include substantially identical terms and conditions.</p> <p>“<u>Bank Regulatory Approvals</u>” means, to the extent required, non-objection by the Federal Reserve under the Change in Bank Control Act and/or Hawaii Division of Financial Institutions under the Hawaii Code of Financial Institutions.</p> <p>The intent is for the Transactions to proceed as follows:</p> <ul style="list-style-type: none"> • (i) The Investors each enter into separate definitive investment agreements with Territorial. • (ii) The Investors, as applicable, promptly submit all required applications, filings and notices with the applicable governmental entity in the period between signing of the definitive investment agreements and closing of the Investment. • (iii) Immediately following the closing of the Investment, Territorial commences the Tender Offer. • (iv) Upon the expiration of the Tender Offer (which would be no earlier than the expiration of the 20-business day period required by Rule 14e-1 under the Exchange Act), the Tender Offer closes. • (v) At the closing of the Transactions, the Board is reconstituted. <p>As described in further detail below, a portion of the Preferred Stock would automatically convert into Common Stock upon the closing of the Tender Offer. If the Tender Offer fails to close, the Preferred Stock would be redeemable, at the option of each Investor.</p> <p>The closing of the Tender Offer will be subject to terms and conditions, including receipt of any required approvals, consents or non-objections of any governmental entity. The Investors will agree not to participate in the Tender Offer.</p>

Term	Description
<p>Total Investment Amount; Purchase Price</p>	<p>At the closing of the Investment, the Investors will purchase from Territorial the Preferred Stock at a price per share of \$12.00 (“<u>Investment Purchase Price</u>”). Upon the closing of the Tender Offer, a portion of the Preferred Stock would automatically convert into shares of Common Stock, with the aggregate number of shares issuable upon such conversion being equal to the aggregate number of shares of Common Stock purchased by Territorial in the Tender Offer, at a conversion price per share equal to the Investment Purchase Price; the conversion would be allocated among the Investors pro rata based on their respective investment amounts. At the option of each Investor, the Preferred Stock would be (i) fully redeemable in the event the Tender Offer fails to close and (ii) partially redeemable upon the closing of the Tender Offer, with the redeemable portion being the number of shares of Preferred Stock that did not automatically convert into Common Stock at the closing of the Tender Offer, as described above. In each case, the redemption would occur at a price per share equal to the Investment Purchase Price.</p> <p>The closing of the Investment will be conditioned on Territorial having received sufficient capital from the Investors to tender for 100% of the outstanding shares of Common Stock at a price per share of \$12.00.</p>
<p>Total Tender Offer Amount; Purchase Price</p>	<p>Immediately following the closing of the Investment, Territorial will commence the Tender Offer to purchase up to 100%, but not less than 70%, of the issued and outstanding shares of Common Stock at a price per share of \$12.00.</p>
<p>Blue Hill Warrants</p>	<p>Blue Hill will receive 20% warrant coverage to purchase non-voting common stock with an exercise price of \$15.00 per share, a 25% premium to the Investment Purchase Price.</p>
<p>Organizer Share Grant</p>	<p>As organizer, Mr. Landon will be entitled to a grant of up to 20,000 shares of Common Stock at the closing of the Transactions.</p>
<p>Signing Conditions</p>	<p>The signing of any definitive agreement will be conditioned upon:</p> <ul style="list-style-type: none"> • (a) the termination (mutually or individually by either party) of the Agreement and Plan of Merger by and between Hope Bancorp, Inc. and Territorial Bancorp, Inc., dated as of April 26, 2024 (the “<u>Merger Agreement</u>”); • (b) satisfactory completion of due diligence; • (c) the Investors entering into investment agreements concurrently and together providing for an aggregate investment in Territorial sufficient to tender for 100% of the outstanding shares of Common Stock at a price per share of \$12.00; and • (d) a reasonable determination by Territorial, after receiving advice from its financial advisors, that the Transactions will qualify for recapitalization (and not purchase) accounting treatment.
<p>Board Reconstitution</p>	<p>The Board will be reconstituted at the closing of the Transactions. It is expected that new appointees will include Mr. Landon, with other Board positions being filled by a combination of local business and/or community leaders and Investor representatives, including Mr. Jason Blumberg from Blue Hill.</p> <ul style="list-style-type: none"> • Investors that intend to own more than 9.9% of the outstanding shares of Common Stock (after giving effect to the Transactions and on an as-converted basis) may expect a right to appoint an Investor representative. • An Investor representative will be nominated to serve as a director so long as the Investor who nominated such Investor representative owns at least 5% of the equity interests of Territorial.

Term	Description
Registration Rights	The Investors will receive customary demand and piggyback registration rights (including shelf registration rights).
Antitakeover Matters	Subject to further diligence, Territorial will exempt the Investors, by resolution of the Board, from the application of the provisions of Section 3-602 of the Maryland General Corporation Law prior to the Investors becoming an “interested stockholder” (as that term is defined under Section 3-601).
Investment Agreement	The investment agreement for the Investment will contain customary representations, warranties, covenants, conditions and indemnification provisions for a transaction of this type. The investment agreement shall provide for certain representations and warranties to survive closing.
Confidentiality	<p>For a period of one year from the date this Term Sheet is fully executed, each party hereto will keep the contents and the existence of this Term Sheet, the fact that the parties hereto are having discussions regarding the Transactions and any information provided to the receiving party in connection with the Transactions confidential, unless otherwise mutually agreed or as required by law, rule or regulation. Notwithstanding the foregoing, any party hereto may disclose information related to the Transactions to such party’s directors, employees, consultants, accountants, regulators, legal or other professional advisors or other representatives (“<u>Representatives</u>”) on a need to know basis and who owe confidentiality obligations to such party. Each party hereto will be responsible for any breach of the confidentiality obligations set forth in this section of the Term Sheet by its Representative. Mr. Landon and Blue Hill may disclose information to prospective Investors.</p> <p>The parties hereto agree that confidentiality provisions of this Term Sheet will eventually be replaced by a mutually agreeable confidentiality agreement executed in accordance with Section 6.11 of the Merger Agreement.</p>
Expenses	If the Investment is consummated, Territorial will pay (i) the legal, accounting and other out-of-pocket fees and expenses of the Investors related to the Transactions up to an agreed upon amount, and (ii) a fee to a placement agent selected by the Investors.
Non-Binding	Notwithstanding anything to the contrary contained herein (or in any other written, electronic or oral expression by any party or their representatives), except the obligations set forth under this paragraph, “Confidentiality,” and “Expenses” (which are intended to be, and shall be, legally binding), this Term Sheet is non-binding and does not give rise to legal obligations of any sort (including any obligation to negotiate). By Mr. Landon delivering this Term Sheet, any potential Investors, including Blue Hill, shall be under no obligation (legal or otherwise) to enter into a definitive agreement regarding a transaction or to negotiate its terms. The Transactions are subject to negotiation and execution of definitive documentation and any requisite approvals, the terms and results of which are satisfactory to the parties in their sole discretion. This Term Sheet is a non-binding summary of terms and does not include all terms and conditions that would be included in definitive documentation relating to the Transactions. The Transactions will be subject to customary terms and conditions as may be set forth in the definitive documents.