

CENTRAL PACIFIC FINANCIAL CORP
Form DEF 14A
March 04, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 1)**

Filed by the Registrant ☒
Filed by a Party other than the Registrant ☐
Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

CENTRAL PACIFIC FINANCIAL CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
- | | |
|-----|---|
| (1) | Title of each class of securities to which transaction applies: |
| (2) | Aggregate number of securities to which transaction applies: |
| (3) | |

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Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule

0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CENTRAL PACIFIC FINANCIAL CORP.

220 South King Street

Honolulu, Hawaii 96813

(808) 544-0500

APRIL 27, 2011 ANNUAL MEETING

YOUR VOTE IS IMPORTANT

March 17, 2011

Dear Fellow Shareholder:

On behalf of your Board of Directors, we cordially invite you to attend the 2011 Annual Meeting of Shareholders of Central Pacific Financial Corp. The Annual Meeting will be held on April 27, 2011, at 3:00 p.m., Hawaii time, at the YWCA Laniakea, Fuller Hall, 1040 Richards Street, Honolulu, Hawaii 96813. Your Board and management look forward to greeting those shareholders able to attend the meeting.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe matters to be acted upon at the Annual Meeting. Please give these materials your prompt attention. Then, we ask that you sign, date and mail promptly the enclosed Proxy Card in the enclosed postage-paid envelope, or use telephone or internet voting, to ensure that your shares are represented and voted at the meeting. Shareholders who attend the meeting may withdraw their proxy and vote in person if they wish to do so. Your vote is important, so please act at your earliest convenience.

We appreciate your continued interest in Central Pacific Financial Corp.

Sincerely,

/s/ John C. Dean

John C. Dean

Executive Chairman

CENTRAL PACIFIC FINANCIAL CORP.

220 South King Street

Honolulu, Hawaii 96813

(808) 544-0500

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 27, 2011

TO THE SHAREHOLDERS OF CENTRAL PACIFIC FINANCIAL CORP.:

NOTICE IS HEREBY GIVEN that, pursuant to its Bylaws and the call of its Board of Directors, the Annual Meeting of Shareholders (the Meeting) of Central Pacific Financial Corp. (the Company) will be held at the YWCA Laniakea, Fuller Hall, 1040 Richards Street, Honolulu, Hawaii 96813, on April 27, 2011, at 3:00 p.m., Hawaii time, for the purpose of considering and voting upon the following matters:

(i) **Amendment to Bylaws.** To approve an amendment to our Bylaws to provide for a variable-range size Board and to fix the initial size of the Board.

(ii) **Election of Directors.** To elect up to eight (8) persons to the Board of Directors for a term of one (1) year and to serve until their successors are elected and qualified, as more fully described in the accompanying Proxy Statement.

(iii) **Ratification of Appointment of Independent Registered Public Accounting Firm.** To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.

(iv) **Executive Compensation.** To consider an advisory (non-binding) proposal to approve the compensation of the Company's executive officers.

(v) **Frequency of Advisory Vote on Executive Compensation.** To consider an advisory (non-binding) proposal regarding setting the frequency of the advisory Say-On-Pay vote on an annual basis.

(vi) **Tax Benefits Preservation Plan.** To ratify the Company's Tax Benefits Preservation Plan, which was adopted by the Board of Directors on November 23, 2010 to protect against a possible limitation on the Company's ability to use certain tax assets (such as net operating loss carryforwards) to offset future income.

(vii) **Amendment of Central Pacific Financial Corp. 2004 Stock Compensation Plan.** To amend the Company's 2004 Stock Compensation Plan in order to increase the number of shares available for issuance pursuant to awards granted under the Plan and to remove the maximum share grant and Full Value Award limitations under the Plan.

(viii) **Amendment of Articles of Incorporation.** To approve a protective amendment to the Company's Restated Articles of Incorporation to restrict certain transfers of stock in order to preserve the tax treatment of the Company's net operating losses and certain unrealized tax losses.

(ix) **Other Business.** To transact such other business as may properly come before the Meeting and at any and all adjournments thereof.

Only those shareholders of record at the close of business on February 25, 2011 shall be entitled to notice of and to vote at the Meeting.

YOUR VOTE IS IMPORTANT. SHAREHOLDERS ARE URGED TO SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE PREPAID ENVELOPE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT THEY PLAN TO ATTEND THE MEETING IN PERSON. YOU MAY ALSO DELIVER YOUR VOTE BY TELEPHONE OR INTERNET BY FOLLOWING THE INSTRUCTIONS ON YOUR PROXY CARD OR VOTING INSTRUCTION FORM. SHAREHOLDERS WHO ATTEND THE MEETING MAY WITHDRAW THEIR PROXY AND VOTE IN PERSON IF THEY WISH TO DO SO.

By order of the Board of Directors,

/s/ Glenn K.C. Ching

GLENN K. C. CHING

Senior Vice President and Corporate Secretary

Dated: March 17, 2011

CENTRAL PACIFIC FINANCIAL CORP.

220 South King Street

Honolulu, Hawaii 96813

(808) 544-0500

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

APRIL 27, 2011

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the **Board**) of Central Pacific Financial Corp. (the **Company**) for use at the Annual Meeting of Shareholders (the **Meeting**) of the Company to be held at the YWCA Laniakea, Fuller Hall, 1040 Richards Street, Honolulu, Hawaii 96813, on April 27, 2011, 3:00 p.m., Hawaii time, and at any and all adjournments thereof. The approximate date on which this Proxy Statement and accompanying Notice and form of proxy are first being mailed to shareholders is March 17, 2011.

Matters to be Considered

The matters to be considered and voted upon at the Meeting will be:

- (i) **Amendment to Bylaws.** To approve an amendment to our Bylaws to provide for a variable-range size Board and to fix the initial size of the Board.
- (ii) **Election of Directors.** To elect up to eight (8) persons to the Board of Directors for a term of one (1) year and to serve until their successors are elected and qualified, as more fully described in this Proxy Statement.

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- (iii) **Ratification of Appointment of Independent Registered Public Accounting Firm.** To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.
- (iv) **Executive Compensation.** To consider an advisory (non-binding) proposal to approve the compensation of the Company's executive officers.
- (v) **Frequency of Advisory Vote on Executive Compensation.** To consider an advisory (non-binding) proposal regarding setting the frequency of the advisory Say-On-Pay vote on an annual basis.
- (vi) **Tax Benefits Preservation Plan.** To ratify the Company's Tax Benefits Preservation Plan, which was adopted by the Board of Directors to protect against a possible limitation on the Company's ability to use certain tax assets (such as net operating loss carryforwards) to offset future income.
- (vii) **Amendment of Central Pacific Financial Corp. 2004 Stock Compensation Plan.** To amend the Company's 2004 Stock Compensation Plan in order to increase the number of shares available for issuance pursuant to awards granted under the Plan and to remove the maximum share grant and Full Value Award limitations under the Plan.
- (viii) **Amendment of Articles of Incorporation.** To approve a protective amendment to the Company's Restated Articles of Incorporation to restrict certain transfers of stock in order to preserve the tax treatment of the Company's net operating losses and certain unrealized tax losses.
- (ix) **Other Business.** To transact such other business as may properly come before the Meeting and at any and all adjournments thereof.

Record Date, Outstanding Securities and Voting Rights

The Board fixed the close of business on February 25, 2011 as the record date (the "Record Date") for the determination of the shareholders of the Company entitled to notice of and to vote at the Meeting. Only holders of record of shares of the Company's Common Stock ("Common Stock") at the close of business on the Record Date will be entitled to vote at the Meeting and at any adjournment or postponement of the Meeting. There were 39,649,052 shares of the Company's Common Stock, no par value, issued and outstanding on the Record Date, held by approximately 4,392 holders of record.

Each holder of Common Stock will be entitled to one vote, in person or by proxy, for each share of Common Stock standing in the holder's name on the books of the Company as of the Record Date on any matter submitted to the vote of the shareholders.

Quorum

The required quorum for the transaction of business at the Meeting is a majority of the total outstanding shares of Common Stock entitled to vote at the Meeting, either present in person or represented by proxy. Abstentions will be included in determining the number of shares present at the Meeting for the purpose of determining the presence of a quorum.

Broker Authority to Vote

Under the rules of the National Association of Securities Dealers, Inc., member brokers generally may not vote shares held by them in street name for customers unless they are permitted to do so under the rules of any national securities exchange of which they are a member. Under the rules of the New York Stock Exchange, Inc. (NYSE), a member broker who holds shares in street name for customers has the authority to vote on certain routine items if it has transmitted proxy soliciting materials to the beneficial owner but has not received instructions from that owner. NYSE rules permit member brokers that do not receive instructions from their customers to vote on numbers 1, 3 and 8 discussed above in their discretion. NYSE member brokers will not be permitted to vote on item numbers 2, 4, 5, 6 and 7 unless they receive instructions from their customers.

Vote Required to Approve the Proposals

The following chart sets forth the required vote to approve each matter to be considered and voted upon at the Meeting, and the effect of Withhold votes, abstentions, and broker non-votes.

Item/Proposal	Required Vote	Effect of Withhold Votes, Abstentions, Broker Non-Votes
Item 1 - Approval of Amendment to Bylaws to provide for a variable-range size Board and to fix the initial size of the Board	Affirmative vote of a majority of the outstanding shares of common stock on the record date.	•Abstentions and broker non-votes will have the effect of a vote AGAINST this Amendment.
Item 2 - Election of Directors	Affirmative vote of a plurality of the shares of common stock present in person or by proxy and entitled to vote.	<ul style="list-style-type: none"> • Withhold votes will have the effect of a vote AGAINST the election of directors. •Broker non-votes will have no effect on the voting for the election of directors.
Item 3 - Ratification of the appointment of KPMG LLP as the Company's	Affirmative vote of a majority of the shares of common stock cast on the matter.	•Abstentions and broker non-votes will have no effect in calculating the votes on this matter.

independent registered public
accounting firm for fiscal year 2011

Item 4 - Proposal Relating to an Advisory (Non-Binding) Vote on Executive Compensation	Affirmative vote of a majority of the shares of common stock cast on the matter.	•Abstentions and broker non-votes will have no effect in calculating the votes on this matter.
Item 5 - Proposal Relating to an Advisory (Non-Binding) Vote on frequency of advisory Say-On-Pay vote	Affirmative vote of a majority of the shares of common stock cast on the matter.	•Abstentions and broker non-votes will have no effect in calculating the votes on this matter.
Item 6 - Ratification of Tax Benefits Preservation Plan (Non-Binding)	Affirmative vote of a majority of the outstanding shares of common stock cast on the matter.	•Abstentions and broker non-votes will have no effect in calculating the votes on this matter.
Item 7 - Approval of Amendment of Central Pacific Financial Corp. 2004 Stock Compensation Plan	Affirmative vote of a majority of the outstanding shares of common stock cast on the matter, provided that, the total vote cast exceeds 50% of the outstanding shares of common stock on the record date.	•Abstentions and broker non-votes will have no effect in calculating the votes on this matter provided that they do not result in the failure to achieve the 50% minimum vote.
Item 8 - Approval of amendment to Restated Articles of Incorporation to protect tax losses	Affirmative vote of a majority of the outstanding shares of common stock on the record date.	•Abstentions and broker non-votes will have the effect of a vote AGAINST this amendment.

Additional information regarding each of these items (also referred to as proposals) is provided in the section titled DISCUSSION OF PROPOSALS RECOMMENDED BY THE BOARD OF DIRECTORS (for Items/Proposals 1 through 8 above).

The following is the Board's recommendation with respect to each of the items to be considered and voted upon at the Meeting:

Item 1 - The Board recommends a vote FOR the proposal to amend the Company's Bylaws to provide for a variable-range size Board and to fix the initial size of the Board.

Item 2 - The Board recommends a vote FOR the election of all nominees as directors.

Item 3 - The Board recommends a vote FOR ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.

Item 4 - The Board recommends a vote FOR the compensation of the Company's executive officers.

Item 5 - The Board recommends a vote FOR setting the frequency of the advisory Say-On-Pay vote on an annual basis.

Item 6 - The Board recommends a vote FOR the ratification of the Tax Benefits Preservation Plan.

Item 7 - The Board recommends a vote FOR the approval of the amendment of the 2004 Stock Compensation Plan.

Item 8 - The Board recommends a vote FOR the approval of the protective amendment to the Restated Articles of Incorporation to preserve tax losses.

It is not anticipated that any matters will be presented at the Meeting other than as set forth in the accompanying Notice of the Meeting. If any other matters are presented properly at the Meeting, however, the proxy will be voted by the proxy holders in accordance with the recommendations of the Board.

Voting

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Voting by Mail. Shareholders can ensure that their shares are voted at the Meeting by completing, signing, dating and mailing the enclosed proxy card in the enclosed postage-prepaid envelope.

Voting by Telephone or the Internet. Voting by telephone or the Internet is fast and convenient and your vote is immediately confirmed and tabulated. If you choose to vote by telephone or the Internet, instructions to do so are set forth on the enclosed proxy card. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number, which appears on the proxy card. These procedures allow stockholders to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded. If you vote by telephone or the Internet, you do not have to mail in your proxy card, but your vote must be received by the voting deadline set forth on the proxy card.

If your shares are held by a bank, broker or other nominee, please follow the instructions provided with your proxy materials to determine if telephone or Internet voting is available. If your bank or broker does make telephone or Internet voting available, please follow the instructions provided on the voting form supplied by your bank or broker.

If you vote by telephone or the Internet, you should not return your proxy card.

Revocability of Proxies

Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is exercised by filing with the Corporate Secretary of the Company an instrument revoking it or a duly executed proxy bearing a later date. A proxy may also be revoked by attending the Meeting and voting in person at the Meeting. Subject to such revocation, all shares represented by a properly executed proxy received in time for the Meeting will be voted by the proxy holders in accordance with the instructions on the proxy. If your shares are held in street name, you should follow the instructions of your broker, bank or nominee regarding the revocation of proxies.

Solicitation of Proxies

This solicitation of proxies is made on behalf of the Board and the Company will bear the costs of the preparation of proxy materials and the solicitation of proxies for the Meeting. It is contemplated that proxies will be solicited principally through the mail, but directors, officers and regular employees of the Company or its subsidiary, Central Pacific Bank (the "Bank"), may solicit proxies personally, by telephone, electronically or by other means of communication. Although there is no formal agreement to do so, the Company may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding these proxy materials to beneficial owners. The Company has retained D.F. King & Co., Inc. to assist it in connection with the solicitation of proxies for a fee of approximately \$11,000, plus reimbursement of expenses.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 27, 2011.

The Company's Proxy Statement and Form 10-K Annual Report for the fiscal year ended December 31, 2010 are available free of charge at <https://www.centralpacificbank.com/2011proxy>.

In addition, the Company will provide without charge, upon the written request of any shareholder, a copy of the Company's annual report on Form 10-K, including the financial statements and the financial statement schedules, required to be filed with the United States Securities and Exchange Commission ("SEC") for the fiscal year ended December 31, 2010. Requests should be directed to Central Pacific Financial Corp., Attn: Investor Relations, P.O. Box 3590, Honolulu, Hawaii 96811.

The Company will also deliver promptly upon written or oral request a separate copy of the Company's annual report on Form 10-K and the Company's Proxy Statement, to any shareholder who shares an address with other shareholders and where only one set of materials were sent to that address to be shared by all shareholders at that address.

Principal Shareholders

Based on filings made under Section 13(d) and Section 13(g) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of February 25, 2011, the following were the only persons known to management of the Company to beneficially own more than 5% of the Company's outstanding Common Stock:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Carlyle Financial Services Harbor, L.P. c/o The Carlyle Group 520 Madison Avenue New York, New York 10022	9,463,095	23.87%
ACMO-CPF, L.L.C. c/o Anchorage Advisors, L.L.C. 610 Broadway, 6th Floor	9,463,095	23.87%

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New York, New York 10012

United States Department of the Treasury	5,699,405 (1)	14.35%
1500 Pennsylvania Avenue		
Washington, D.C. 20229		

(1) Includes 79,288 shares that, in accordance with Rule 13d-3(d)(1) under the Exchange Act, the United States Department of the Treasury has the right to acquire within sixty (60) days of February 25, 2011.

Security Ownership of Directors, Nominees and Executive Officers

The following table sets forth certain information regarding beneficial ownership of Common Stock by each of the current directors, nominees, and the Named Executive Officers (as defined under Compensation of Directors and Executive Officers, subheading Compensation Discussion and Analysis), as well as all directors and executive officers as a group, as of the close of business on February 25, 2011. Unless otherwise noted, the address of each person is c/o Central Pacific Financial Corp., 220 South King Street, Honolulu, Hawaii 96813.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Class (2)
<i>Directors and Nominees</i>		
Christine H. H. Camp	101,334 (3)	*
Earl E. Fry	51,461 (4)	*
Paul J. Kosasa	102,463 (5)	*
Colbert M. Matsumoto	27,070 (6)	*
Crystal K. Rose	21,236 (7)	*
Duane K. Kurisu	1,312 (8)	*
John C. Dean	103,189 (9)	*
Alvaro J. Aguirre	-	-
James F. Burr	-	-
<i>Named Executive Officers</i>		
Blenn A. Fujimoto	10,228 (10)	*
Denis K. Isono	13,263 (11)	*
Lawrence D. Rodriguez	22,633 (12)	*
Dean K. Hirata	5,251 (13)	*
A. Catherine Ngo	20,000 (14)	*
Ronald K. Migita	26,786 (15)	*
<i>All Directors and Executive Officers as a Group (15 persons)</i>	506,226	1.28%

(*) Less than one percent (1%).

(1) All share amounts in this table have been restated to give effect to the Reverse Stock Split (as defined under Compensation of Directors and Executive Officers below). Except as otherwise noted below, each person has sole voting and investment powers with respect to the shares listed. The numbers shown include the shares actually owned as of February 25, 2011 and, in accordance with Rule 13d-3 under the Exchange Act, any shares of Common Stock that the person has the right or will have the right to acquire within sixty (60) days of February 25, 2011.

(2) In computing the percentage of shares beneficially owned by each person or group of persons named above, any shares which the person (or group) has a right to acquire within sixty (60) days after February 25, 2011 are deemed outstanding for the purpose of computing the percentage of Common Stock beneficially owned by that person (or group) but are not deemed outstanding for the purpose of computing the percentage of shares beneficially owned by any other person.

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(3) 296 shares of Common Stock are directly held by Ms. Camp with full voting power. 489 shares of Common Stock are held in her Simplified Employee Pension Plan Individual Retirement Account. 333 shares of Common Stock are held for her account and benefit under the Central Pacific Financial Corp. Directors' Deferred Compensation Plan. 216 shares of Common Stock are those she has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan. 100,000 shares of Common Stock are held by Ms. Camp as Trustee of her revocable living trust.

(4) 251 shares of Common Stock are directly held by Mr. Fry with full voting and investment power. 50,250 shares of Common Stock are held in the Fry Family Trust of which Mr. Fry and his wife are co-trustees and they share voting and investment power. 744 shares of Common Stock are held in the Central Pacific Financial Corp. Directors' Deferred Compensation Plan. 216 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan.

(5) 102,247 shares of Common Stock are directly held by Mr. Kosasa with full voting power. 216 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan.

(6) 278 shares of Common Stock are directly held by Mr. Matsumoto with full voting power. 25,519 shares of Common Stock are held for his account and benefit under the Central Pacific Financial Corp. Directors' Deferred Compensation Plan. 500 shares are held by Island Insurance Foundation of which he serves as President and Director. 300 shares are held jointly with his wife for which he has shared voting and investment powers with his wife. 473 shares of Common Stock are those he has the right to acquire by the exercise of stock options vested pursuant to the CB Bancshares, Inc. Directors Stock Option Plan, the Agreement and Plan of Merger dated April 22, 2004 between Central Pacific Financial Corp. and CB Bancshares, Inc., the Company's 1997 Stock Option Plan, and the Company's 2004 Stock Compensation Plan.

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- (7) 20,278 shares of Common Stock are directly held by Ms. Rose with full voting and investment power. 100 shares of Common Stock are held by her as trustee of her pension plan and 642 shares of Common Stock are held for her account and benefit under the Central Pacific Financial Corp. Directors' Deferred Compensation Plan. 216 shares of Common Stock are those she has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan.
- (8) 1,312 shares of Common Stock are directly held by Mr. Kurisu with full voting power. Of the 1,312 shares, 32 shares do not have investment power.
- (9) 100,000 shares of Common Stock are held in Mr. Dean's Roth Converted IRA account. 3,189 shares of Common Stock are held of record by Startup Capital Ventures (venture capital firm founded in 2005 and fully-invested) of which Mr. Dean is a Managing General Partner and shares voting power with other partners.
- (10) 5,201 shares of Common Stock are directly held by Mr. Fujimoto with full voting and investment power. 204 shares of Common Stock are held under his account under the Central Pacific Bank 401(k) Retirement Savings Plan. 1,655 shares of Common Stock are those that he has the right to acquire by the exercise of stock options vested pursuant to the Company's 1997 Stock Option Plan. 323 shares of Common Stock are those that he has the right to acquire by the exercise of Stock Appreciation Rights vested pursuant to the Company's 2004 Stock Compensation Plan and 2,845 shares of Common Stock are those he has a right to acquire by the exercise of Stock Appreciation Rights vested pursuant to the Company's 2008 Long Term Incentive Plan.
- (11) 107 shares of Common Stock are directly held by Mr. Isono with full voting and investment power. 10,524 shares of Common Stock are held jointly with his wife for which he has shared voting and investment powers with his wife. 15 shares of Common Stock are held by his sons and wife jointly. 119 shares of Common Stock are held under his account under the Central Pacific Bank 401(k) Retirement Savings Plan. 420 shares of Common Stock are those that he has the right to acquire by the exercise of stock options vested pursuant to the Company's 1997 Stock Option Plan. 315 shares of Common Stock are those that he has the right to acquire by the exercise of Stock Appreciation Rights vested pursuant to the Company's 2004 Stock Compensation Plan and 1,763 shares of Common Stock are those that he has a right to acquire by exercise of Stock Appreciation Rights vested pursuant to the Company's 2008 Long Term Incentive Plan.
- (12) 1,033 shares of Common Stock are directly held by Mr. Rodriguez with full voting and investment power. 20,100 shares of Common Stock are held in Mr. Rodriguez's revocable living trust. 1,500 shares of Common Stock are held by the Lawrence D. and Patricia I. Rodriguez Foundation of which Mr. Rodriguez serves as President and Treasurer.
- (13) 226 shares of Common Stock are held in Mr. Hirata's Individual Retirement Account. 106 shares of Common Stock are held under his account under the Central Pacific Bank 401(k) Retirement Savings Plan. 108 shares of Common Stock are directly held by Mr. Hirata with full voting and investment power. 1,537 shares of Common Stock are those that he has the right to acquire by the exercise of stock options vested pursuant to the Company's 1997 Stock Option Plan. 3,274 shares of Common Stock are those that he has the right to acquire by the exercise of vested Stock Appreciation Rights.
- (14) 20,000 shares of Common Stock are held in a family trust of which Ms. Ngo and her husband are co-trustees and they share voting and investment power.

(15) 22,505 shares of Common Stock are held in Mr. Migita's trust. 19 shares of Common Stock are directly held with full voting and investment power. 4,262 shares of Common Stock are those he has a right to acquire by exercise of stock options vested pursuant to the Company's 2004 Stock Compensation Plan.

Section 16(a) Beneficial Ownership Reporting Compliance

The Company's directors, executive officers and the beneficial holders of more than 10% of the Common Stock are required to file certain reports with the SEC regarding the amount of and changes in their beneficial ownership of the Company's stock. Based on its review of copies of those reports, the Company is required to disclose known failures to file required forms, or failures to timely file required reports during the previous year. To the best knowledge of the Company, there were no failures to file or timely file such required reports during year 2010 by any person who was at any time during year 2010 a director, officer, beneficial owner of more than 10% of the Common Stock, or any other person subject to Section 16 of the Exchange Act with respect to the Company.

ELECTION OF DIRECTORS

The Company currently has eight (8) directors, being Alvaro J. Aguirre, James F. Burr, Christine H. H. Camp, John C. Dean, Earl E. Fry, Paul J. Kosasa, Colbert M. Matsumoto and Crystal K. Rose. On August 26, 2009, the Company's Board adopted an amendment to the Company's Bylaws to eliminate the Company's classified board structure whereby directors that have been elected prior to the 2010 Annual Meeting of Shareholders continue to hold office until the expiration of the three-year terms for which they were elected and each director who was elected or appointed at or after the 2010 Annual Meeting will hold office only until the next annual meeting of shareholders. The term of all directors, other than Paul J. Kosasa, expires at the Meeting. Mr. Kosasa's term expires at the 2012 Annual Meeting of Shareholders. Accordingly, there are up to eight (8) directors to be elected at the Meeting to serve one-year terms expiring at the 2012 Annual Meeting of Shareholders and until their respective successors are elected and qualified, subject to their death, resignation, retirement, disqualification or removal from office.

The nominees to serve as directors for election at the Meeting are Alvaro J. Aguirre, James F. Burr, Christine H. H. Camp, John C. Dean, Earl E. Fry, Colbert M. Matsumoto and Crystal K. Rose, all of whom are currently directors of the Company, and Duane K. Kurisu, who is currently a director of the Bank and who has been nominated by the Board for election as a director of the Company, subject to regulatory approval. The approvals of each the Federal Reserve Bank of San Francisco (FRB) and the Hawaii Division of Financial Institutions (HDFI) must be obtained for an individual to serve as director of the Company. An application for approval of Mr. Kurisu to serve as director of the Company has been filed with each the FRB and the HDFI, but such approvals have not yet been received. Accordingly, as of the date of this Proxy Statement, Mr. Kurisu is a contingent nominee and we are asking you to provide us your proxy to vote for Mr. Kurisu if, as of the date of the Meeting, both FRB and HDFI approvals of Mr. Kurisu becoming a director of the Company have been received. To the extent FRB and HDFI approvals have not been received as of the date of the Meeting, Mr. Kurisu will not be a nominee for election as a director at the Meeting and therefore your proxy will not be voted for Mr. Kurisu.

All nominees have indicated their willingness to serve and unless otherwise instructed, proxies will be voted for all of the nominees, except that proxies will be voted for Mr. Kurisu only if FRB and HDFI approval of Mr. Kurisu becoming a director of the Company has been received as of the date of the Meeting. However, in the event that any of them should be unable to serve, the proxy holders named on the enclosed proxy card will vote in their discretion for such persons as the Board may recommend.

There are no family relationships among directors or executive officers of the Company, and, as of the date hereof, no directorships are held by any director or director nominee with a company with a class of securities registered pursuant to Section 12 of the Exchange Act, or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940, except for director Crystal K. Rose, who is a director of Hawaiian Holdings, Inc. (NASDAQ ticker HA).

The Board recommends a vote FOR each of the Board nominees for director.

DIRECTORS AND EXECUTIVE OFFICERS INFORMATION

The following table sets forth certain information with respect to each of the nominees, continuing directors, and executive officers:

Name <i>Nominees</i>	Principal Occupation for the Past Five Years	Age	First Year Elected or Appointed as Officer or Director of the Company (1)	Term Expires
CAMP, Christine H. H.	President and Chief Executive Officer, Avalon Group, LLC (2002-present) (real estate consulting); Managing Director, Avalon Development Company LLC (1999-present) (real estate development)	44	2004	2011
DEAN, John C. (2)	Executive Chairman of the Board and a Director of Central Pacific Financial Corp. and Central Pacific Bank (June 2010-Present); Managing General Partner of Startup Capital Ventures, a venture capital firm founded in 2005 and fully-invested (2003-present) (investment); managing director of Tuputele Ventures Fund (2003-present) (investment)	63	2010	2011
FRY, Earl E.	Chief Financial Officer, Chief Administrative Officer and Executive Vice President of Global Customer Support, Informatica Corporation (2010-present); Executive Vice President, Chief Financial Officer and Secretary, Informatica Corporation (2003-2009) (technology); Senior Vice President, Chief Financial Officer and Secretary, Informatica Corporation (2002-2003)	52	2005	2011
KURISU, Duane K. (3)	Chairman and Chief Executive Officer, aio, LLC, dba aio Group (2002-present) (publishing/investing); Partner, Kurisu and Fergus (1985-present) (real estate investment)	57	2004	N/A
MATSUMOTO, Colbert M.	Chairman and Chief Executive Officer, Island Insurance Company, Ltd. (1999-present) (insurance)	58	2004	2011
ROSE, Crystal K., J.D.	Partner, Bays Deaver Lung Rose & Holma (1989-present) (law)	53	2005	2011
AGUIRRE, Alvaro J.	Chairman of the Board and member of Audit and of Compensation Committees of Cygnus Business Media (2009-present) (business-to-business media); Partner, Earned Capital LLC (2000-2009) (investment); Co-Chief Executive Officer, Method Inc. (2007-2008) (interactive design)	44	2011	2011
BURR, James F.	Managing Director, Global Financial Services Group, The Carlyle Group (2008 - present) (investment); Corporate Treasurer and Executive	45	2011	2011

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Vice President, Wachovia Bank (2006 - 2008)
(banking); Assistant Treasurer and Senior Vice
President, Wachovia Bank (2001-2006) (banking)

Continuing Directors

KOSASA, Paul J.	President and Chief Executive Officer, MNS, Ltd., dba ABC Stores (1999-present) (retail)	53	2002	2012
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Executive Officers (4)

RODRIGUEZ, Lawrence D.	Executive Vice President and Chief Financial Officer, Central Pacific Financial Corp. and Central Pacific Bank (8/23/2010-present); Partner, Ernst & Young LLP (1978-6/2007) (accounting); Managing Partner, Hawaii practice of Ernst & Young LLP (1999-2006) (accounting); financial consultant, Lawrence D. Rodriguez LLC (7/2007-present)	65	2010	N/A
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WILSON, Raymond W.	Executive Vice President and Chief Credit Officer, Central Pacific Financial Corp. and Central Pacific Bank (2/16/2011-present); Executive Vice President, Special Credits, Central Pacific Bank (6/2010-2/16/2011); Chief Financial Officer, Gryphon Gold Corporation (11/2009-5/2010; appointed Chief Financial Officer 1/1/2010) (minerals); Chief Financial Officer, El Capitan Precious Metals, Inc. (5/2007-5/2009) (minerals); Chief Operating Officer, Petaluma Butane Distributors, Inc. (8/2005-4/2007) (umbrella company for private operating companies and commercial and real estate holdings)	53	2011	N/A
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ISONO, Denis K. (5)	Executive Vice President and Chief Operations Officer, Central Pacific Financial Corp. and Central Pacific Bank (10/13/09-present); Executive Vice President, Operations and Services, Central Pacific Financial Corp. and Central Pacific Bank (9/2004-10/12/09)	59	2002	N/A
NGO, A. Catherine	Executive Vice President and Chief Administrative Officer, Central Pacific Financial Corp. and Central Pacific Bank (11/23/10-present); General Partner and Venture Partner of Startup Capital Ventures, a venture capital firm (2005-2010)	50	2010	N/A
FUJIMOTO, Blenn A. (6)	President and Chief Executive Officer, Central Pacific HomeLoans, Inc. (a subsidiary of the Bank) (5/1/2010-present); Vice Chairman, Central Pacific Financial Corp. (4/2006-4/30/2010); Vice Chairman, Hawaii Market, Central Pacific Bank (1/2006-5/2010)	52	2006	N/A

- (1) All directors of the Company (other than Messrs. James F. Burr and Alvaro J. Aguirre) are also directors of the Bank. Messrs. Burr and Aguirre have been appointed to the Bank Board subject to receipt of HDFI and Federal Deposit Insurance Corporation approval. Mr. Kosasa has been a director of the Bank since 1994. Ms. Camp, Mr. Matsumoto, Mr. Kurisu and Ms. Rose have been directors of the Bank since 2004. Mr. Fry has been a director of the Bank since 2005. Mr. Dean has been a director of the Bank since 2010.
- (2) On March 15, 2010 Mr. Dean was appointed as Executive Chairman of the Boards of the Company and the Bank to serve in an acting role in such positions pending regulatory approval. The Company and the Bank received regulatory approval for these appointments and accordingly, as of June 23, 2010, Mr. Dean serves as Executive Chairman of the Company and the Bank. Mr. Dean was appointed as a director of the Company and of the Bank on June 23, 2010.
- (3) Mr. Kurisu is a current director of the Bank and a nominee for director of the Company. He served as a director of the Company from 2004 to 2008.
- (4) The following includes information regarding all the executive officers, except for Mr. Dean (Executive Chairman) whose information is included in this table under the section heading Nominees .
- (5) On April 19, 2010, Mr. Isono's title changed from Vice Chairman to Executive Vice President as part of a decision to eliminate the Vice Chairman title for all executives who had that title and to change that title to that of Executive Vice President.
- (6) Effective May 1, 2010, Mr. Fujimoto transferred employment from the Company and the Bank and accepted the position of President and Chief Executive Officer of Central Pacific HomeLoans, Inc., a subsidiary of the Bank.

Director and Nominee Background and Experience

Christine H. H. Camp Ms. Camp has over twenty-one (21) years experience in real estate, and her company Avalon Group, is a full service real estate company which provides detailed financial and market analysis to a wide range of investors involved in various real estate transactions and development scenarios, and also real estate brokerage, market and financial consulting. Prior to establishing Avalon Group, Ms. Camp was Vice President of Development at A&B Properties, Inc., a subsidiary of Alexander & Baldwin, Inc. (a publicly traded company listed on NYSE), and was in charge of that company's real estate development and investment acquisition activities. Ms. Camp also was the Senior Project Coordinator of Planning and Engineering at Castle & Cooke Properties, Inc., where she handled site acquisition and development of non-company owned properties. Ms. Camp's real estate, financial, and public company knowledge and experience gained from her prior and current positions, makes her a valuable resource to the Board and management in many areas, but particularly in connection with the Company's real-estate lending and other real-estate related activities, to include the evaluation of real estate related risks, investments, opportunities, and asset management oversight. This individual is also a director of the Bank, and together with other directors of the Bank, consented to the issuance of a Consent Order, effective December 8, 2009, by the Federal Deposit Insurance Corporation and Hawaii Division of Financial Institutions, relating to various deficiencies by the Bank, which the Bank is currently working on addressing.

John C. Dean Since June 2010, Mr. Dean has served as the Executive Chairman and a Director of Central Pacific Financial Corp. and Central Pacific Bank. Previously, Mr. Dean has served in various capacities in the banking industry for thirty years (30), including as the Chief Executive Officer and then Chairman of the Board of Silicon Valley Bancshares and Silicon Valley Bank, the President and Chief Executive Officer of Pacific First Bank, the Chairman and Chief Executive Officer of First Interstate Bancorp and First Interstate Bank of Washington, the Chairman and Chief Executive Officer of First Interstate Bank of Oklahoma and as an executive of First Interstate System, Inc., National Funding Corporation and Bank of America. Since 2003, Mr. Dean has been the managing general partner of Startup Capital Ventures and has served as managing director of Tuputele Ventures Fund, a small private equity firm investing in early-stage technology companies and venture capital funds. Mr. Dean is a graduate of the Wharton School of the University of Pennsylvania, with an MBA in Finance, and currently serves as an advisor to the board of the Wharton School.

Earl E. Fry For the last eleven (11) years, Mr. Fry has served as Chief Financial Officer of Informatica Corporation (a publicly traded company listed on NASDAQ), a company which provides data integration software and services and which has reported annual revenue in excess of \$500 million. As Chief Financial Officer of Informatica Corporation, Mr. Fry has effected, among other things, a secondary offering of stock, an issuance of convertible bonds, stock buyback plans, eight technology acquisitions, and established development and support centers in Bangalore, India, Dublin, Ireland, and Tel Aviv, Israel. In addition, Mr. Fry also oversees and manages the Corporate Development, Human Resources, Legal and Contracts Administration, Information Technology, Investor Relations and Finance areas of Informatica Corporation. Prior to joining Informatica Corporation, Mr. Fry was Chief Financial Officer of Omnicell Technologies, Inc. (a publicly traded company listed on NASDAQ) for four (4) years, Chief Financial Officer of C.ATS Software, Inc. for two (2) years, Chief Financial Officer of Weitek Corporation for three (3) years, and also served at other technology companies in various finance and other capacities. Mr. Fry began his professional career at Ernst & Whinney, CPAs (now known as Ernst & Young), where he held the position of Senior Auditor. Mr. Fry is a Certified Public Accountant and a graduate of the Stanford Graduate School of Business. Mr. Fry brings extensive finance, public company, and auditing knowledge and experience to the Board and Company, and he thus is highly qualified to Chair the Company's and Bank's Audit Committees. This individual is also a director of the Bank, and together with other directors of the Bank, consented to the issuance of a Consent Order, effective December 8, 2009, by the Federal Deposit Insurance Corporation and Hawaii Division of Financial Institutions, relating to various deficiencies by the Bank, which the Bank is currently working on addressing.

Paul J. Kosasa Mr. Kosasa has been President and Chief Executive Officer of MNS Ltd., doing business and more commonly known as ABC Stores, for the past twelve (12) years, and has been with ABC Stores for thirty-one (31) years. As President and Chief Executive Officer of ABC Stores, Mr. Kosasa oversees a Hawaii-based retail convenience store operation with a major presence in Waikiki and other tourist locations throughout the Hawaiian Islands, as well as in other locations outside of Hawaii, such as Guam, Saipan, and Las Vegas, Nevada. As President and Chief Executive Officer of a sizable retail store chain which primarily serves the tourist industry, one of the largest industries in Hawaii, Mr. Kosasa provides the Board and Company with significant business and management knowledge and experience in all aspects of a business operation, which includes business strategy and planning, financial management and budgeting, employee compensation and benefits, labor, marketing, advertising, and real estate, among other business expertise. In addition, Mr. Kosasa provides a link and close connection to the

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Hawaii tourism industry, one of Hawaii's most profitable economic engines, and which provides a valuable source of banking business with respect to Hawaii businesses who support the Hawaii tourism industry, as well as retail customers from outside Hawaii who require or may desire Hawaii banking services. This individual is also a director of the Bank, and together with other directors of the Bank, consented to the issuance of a Consent Order, effective December 8, 2009, by the Federal Deposit Insurance Corporation and Hawaii Division of Financial Institutions, relating to various deficiencies by the Bank, which the Bank is currently working on addressing.

Colbert M. Matsumoto Mr. Matsumoto is the Chairman of the Board and Chief Executive Officer of Island Insurance Company, Ltd., Hawaii's largest locally owned and managed property and casualty insurance company, and has served in that capacity since 1999. Mr. Matsumoto also serves as President and a director of Tradewind Capital Group, Inc., an investment and asset management company. Mr. Matsumoto is also a Hawaii licensed attorney, has been a member of the Hawaii State Bar Association for over thirty-three (33) years, and was a partner with the law firm of Fujiyama Duffy & Fujiyama until 1994 when he established his own law firm named Matsumoto LaFontaine & Chow until departing that firm to join Island Insurance Company, Ltd. Mr. Matsumoto's substantial knowledge and experience, as an attorney, insurance executive, and investment professional, has been instrumental in assisting the Board and management with assessing and managing the Company's legal and business risks and in corporate and business strategy and planning. This individual is also a director of the Bank, and together with other directors of the Bank, consented to the issuance of a Consent Order, effective December 8, 2009, by the Federal Deposit Insurance Corporation and Hawaii Division of Financial Institutions, relating to various deficiencies by the Bank, which the Bank is currently working on addressing.

Crystal K. Rose, J.D. Ms. Rose is a named partner in the law firm of Bays Deaver Lung Rose Holma, and has been actively practicing law for twenty-nine (29) years, specializing in the areas of real estate, trust and commercial litigation, commercial real estate transactions, trusts and estates, and construction law. Ms. Rose brings a wealth of legal and real estate knowledge and experience to the Company's Board and Bank's Board, and her skills and expertise are well-suited to her serving as the Company's and the Bank's Lead Director and in providing guidance with respect to the Company's and the Bank's real estate loans and other real estate related matters and legal matters. Ms. Rose has been a director of Hawaiian Holdings, Inc. (a publicly traded company listed on NASDAQ, and the parent company of Hawaiian Airlines, Inc.) since June 2006, and serves as Chair of the Compensation Committee, and is a member of the Governance and Nominating Committee and the Executive Committee of its Board of Directors. Given the limited number of publicly traded companies in Hawaii, Ms. Rose brings additional experience as a director of another Hawaii-based publicly traded company. This individual is also a director of the Bank, and together with other directors of the Bank, consented to the issuance of a Consent Order, effective December 8, 2009, by the Federal Deposit Insurance Corporation and Hawaii Division of Financial Institutions, relating to various deficiencies by the Bank, which the Bank is currently working on addressing.

Duane K. Kurisu Mr. Kurisu was formerly a director of the Company from September 2004 through May 2008, and has served on the Board of Directors of the Bank since September 2004. Mr. Kurisu is a highly successful businessman and prominent figure in the Hawaii business community and will bring to the Board superior business acumen, judgment, background and experience, and his knowledge of the Hawaii market and his relationships and connections within the Hawaii market. Mr. Kurisu is involved in numerous and varied businesses and industries in Hawaii including, among others: (i) real estate - investment, ownership and management of office buildings, shopping centers and industrial parks in Hawaii and Guam; (ii) media - owner and publisher of a number of Hawaii magazines, newspapers and publications, development and consulting, radio; (iii) sports - professional baseball, sports equipment; (iv) food - bakery, restaurants, nutraceuticals. He is the Chairman, CEO and owner of aio, LLC, a holding company for brands focused on Hawaii and the Pacific in the areas of media, sports and food. He is also Chairman and CEO of Hawaii Winter Baseball, Inc. (professional baseball), director and vice president of Nutricopia, Inc. (nutraceuticals) and CEO of PacificBasin Communications, LLC (publishing). Mr. Kurisu serves on the Board of Directors of Island Holdings, Inc., Oahu Publications, Inc., Obun Hawaii, LLC, Tradewinds Capital and the HWB Foundation, the Advisory Board of the Kravis Leadership Institute, and was a Regent of the University of Hawaii.

Alvaro J. Aguirre Mr. Aguirre was appointed as a director of the Company effective February 24, 2011, as a designee of ACOMO-CPF, L.L.C. pursuant to the Investment Agreement between such company and Central Pacific Financial Corp. and is being nominated to continue as a director in accordance with the requirements of that Investment Agreement. Mr. Aguirre is a member of the Company's Compensation Committee and Governance Committee. Mr. Aguirre has broad skills and experience acquired through senior executive operating roles, as well as senior principal and advisory positions on Wall Street. Mr. Aguirre served as Chief Financial Officer and member of the Board of Directors for TV Filme Inc., a Brazilian wireless cable investment of private equity firm Warburg Pincus LLC, where he directed the company through a successful initial public offering. Mr. Aguirre has also served in senior management roles at several other media and technology businesses where he was instrumental in shaping strategy, driving growth and achieving successful financings and exits. Mr. Aguirre gained principal investing, capital markets, and advisory experience as a managing director at Warburg Pincus LLC, an investment banker at Morgan Stanley and a corporate finance attorney at Sullivan & Cromwell LLP. Currently, Mr. Aguirre is the Chairman of the Board and member of the Audit and Compensation Committees of Cygnus Business Media, a business to business publishing company owned by Goldman Sachs, GE Capital and other financial sponsors. Mr. Aguirre has also served in various not for profit capacities, including as Chairman of the Town of Tiburon Planning Commission.

James F. Burr Mr. Burr was appointed as a director of the Company effective February 24, 2011, as a designee of Carlyle Financial Services Harbor, L.P. pursuant to the Investment Agreement between such company and Central Pacific Financial Corp. and is being nominated to continue as a director in accordance with the requirements of that Investment Agreement. Mr. Burr has over 19 years of banking experience and has served in several senior and executive positions at Wachovia Bank, including Corporate Treasurer, Assistant Treasurer, Controller of the Corporate and Investment Bank, Product Controller of Treasury/Balance Sheet Management and Structured Products and Mortgage Analyst.

Executive Officer Background and Experience

Set forth below is information concerning the current executive officers of the Company:

John C. Dean Mr. Dean's background and experience are listed under the section Director Background and Experience.

Blenn A. Fujimoto Mr. Fujimoto has over thirty (30) years of banking experience in the Hawaii market. Before joining the Company and the Bank, Mr. Fujimoto was employed by Bank of Hawaii (\$10 billion in assets) for nineteen (19) years and held various management positions to include Vice President, District Manager. Mr. Fujimoto was first employed by the Bank in 2000 as Senior Vice President, and Retail Division Manager. Mr. Fujimoto is a graduate of the Pacific Coast Banking School. This individual was also an executive officer of the Bank, which is subject to a Consent Order, effective December 8, 2009, by the Federal Deposit Insurance Corporation and Hawaii Division of Financial Institutions, relating to various deficiencies by the Bank, which the Bank is currently working on addressing.

Denis K. Isono Ms. Isono has over thirty-one (31) years of banking experience in the Hawaii market. Before joining the Company and the Bank, Mr. Isono was employed by Bank of Hawaii (\$10 billion in assets) for eighteen (18) years and held various senior management positions to include Executive Vice President, Operations, and Senior Vice President, Controller. In addition, Mr. Isono also began his banking career at City Bank where he worked for four (4) years. Mr. Isono is a Certified Public Accountant, Certified Management Accountant, Certified Bank Auditor, Certified Internal Auditor, and a graduate of the Stanford University Executive Program and the University of Hawaii Advanced Management Program. Mr. Isono also spent six (6) years with Ernst & Ernst, and held the position of Audit Supervisor. This individual is also an executive officer of the Bank, which is subject to a Consent Order, effective December 8, 2009, by the Federal Deposit Insurance Corporation and Hawaii Division of Financial Institutions, relating to various deficiencies by the Bank, which the Bank is currently working on addressing.

A. Catherine Ngo Ms. Ngo is an experienced executive who has served in various capacities in the financial industry during the last 18 years, including as General Partner and Venture Partner of Startup Capital Ventures, a venture capital firm, where her responsibilities included: managing relationships with many of the firm's portfolio companies and assisting companies with operational (financial and legal) issues. She also had primary oversight for the firm's finance, reporting and investor relations activities and had a significant role in managing the firm's China-based portfolio. As Chief Operating Officer of Alliant Partners, an investment banking subsidiary of Silicon Valley Bank, Ms. Ngo's responsibilities included oversight of legal and compliance, finance, marketing, human resources, and IT functions. As Executive Vice President, General Counsel and Corporate Secretary of Silicon Valley Bank (SVB), Ms. Ngo directed Audit, Credit Review, Collateral Audit, Legal and Loan Operations divisions of SVB with responsibility over 100 employees. Executive Chair John C. Dean has worked with Ms. Ngo for the last 18 years; they (together with a few others) founded and are co-general partners of Startup Capital Ventures. For the last 12 years preceding that, they were executive officers at SVB (where Mr. Dean served as Chief Executive Officer and Chairman of the Board).

Lawrence D. Rodriguez Mr. Rodriguez is a certified public accountant, licensed in Hawaii, California and Guam. He joined Arthur Young & Company in 1967; in 1989 that company merged with Ernst & Whinney to form Ernst & Young LLP (the Firm) where Mr. Rodriguez was a partner from 1978 until his retirement in 2007. Mr. Rodriguez was a Partner in the Firm's Assurance & Advisory Business Services practice with an industry specialization in financial services, health care, real estate and insurance. Mr. Rodriguez was the managing partner of the Hawaii practice of Ernst & Young LLP from 1999 to 2006 until just prior to his retirement in 2007. He served as the Coordinating Partner for all of the largest clients served by the Firm's practice in Hawaii. In addition to audit related matters, Mr. Rodriguez provided services that covered taxes and internal control system evaluations. From 2007 until becoming an officer of the Company, Mr. Rodriguez was a financial consultant providing consulting services through his company, Lawrence D. Rodriguez LLC. Since 2009, Mr. Rodriguez has served as the Chairman of the Board of Ho'okele Health Innovations LLC, a private company in which he is an investor and has served as a member of the Board of Directors of Sennet Capital LLC, a private merchant banking company.

Raymond William (Bill) Wilson Mr. Wilson was appointed as Chief Credit Officer and Executive Vice President of the Company and the Bank effective February 16, 2011. Mr. Wilson joined the Bank in June of 2010 as Executive Vice President, Special Credits, with fifteen (15) years of U.S. and international experience in credit risk management in public and private companies, as well as fourteen (14) years of credit and lending experience at Westpac Banking Corporation (Westpac), a major international financial institution, where he served in various capacities from 1980 to 1994. After leaving Westpac, Mr. Wilson co-founded Drexel Oceania, an international merchant bank engaged in capital raising and financial advisory work for companies and financial institutions in North America, Asia and Australia. Prior to joining the Bank, Mr. Wilson assumed various interim Chief Financial Officer and Chief Operating Officer positions for domestic and international public and private corporations undergoing transition, including Chief Financial Officer of Gryphon Gold Corporation, a publicly traded junior minerals exploration company; Chief Financial Officer of El Capitan Precious Metals, Inc., a publicly traded junior minerals exploration company; and Chief Operating Officer of Petaluma Butane Distributors, Inc., an umbrella company for a group of private operating companies and commercial and real estate holdings.

CORPORATE GOVERNANCE AND BOARD MATTERS

During the fiscal year ended December 31, 2010, the Board held a total of sixteen (16) meetings, including monthly, annual and special meetings. Each person who was a director of the Company during year 2010 attended at least 75% of the total number of these Board meetings and 75% of the total number of meetings held by all committees of the Board on which he or she served during the year. The Company expects directors to attend the annual meetings of shareholders. All directors attended last year's annual meeting of shareholders.

The Board has three (3) standing committees: an Audit Committee, a Compensation Committee, and a Governance Committee (3). The Board's Executive Committee has been dissolved effective as of January 26, 2011.

The following table sets forth the members of the Board as of the date of this Proxy Statement and the committees of the Board on which they serve.

Name of Director	Audit Committee (1)	Compensation Committee (2)	Governance Committee (3)
<i>Non-Employee Directors:</i>			
Christine H. H. Camp		C	*
Earl E. Fry	C	*	
Paul J. Kosasa			C
Colbert M. Matsumoto			
Crystal K. Rose	*	*	*
James F. Burr			
Alvaro J. Aguirre		*	*

* = Member

C = Chair

(1) Effective February 18, 2011, B. Jeannie Hedberg and Mike K. Sayama resigned as members of the Board and of its Audit Committee.

(2) Effective February 18, 2011, the following changes took place in the composition of the Compensation Committee: Christine H.H. Camp replaced Richard J. Blangiardi (who resigned as member of the Board and of its Compensation Committee) as Chair of the Compensation Committee; Crystal K. Rose and Alvaro J. Aguirre (effective February 24, 2011) replaced Paul J. Kosasa and Maurice K. Yamasato (who resigned as member of the Board and its Compensation Committee) as members of this Committee.

(3) To simplify the name of the Corporate Governance & Nominating Committee, this Committee was renamed the Governance Committee effective January 26, 2011. Effective February 18, 2011, Paul J. Kosasa replaced Crystal K. Rose as Chair of the Committee and Crystal K. Rose remained a member of the Committee; Christine H.H. Camp replaced Dwight L. Yoshimura (who resigned); and Alvaro J. Aguirre became the fourth member of the Governance Committee.

Interested parties may communicate directly with the Chairperson of the Board or with the non-management or independent directors as a group, by writing to: Crystal K. Rose, Bays Deaver Lung Rose & Holma, 1099 Alakea Street, 16th Floor, Honolulu, Hawaii 96813. Alternatively, concerns may be made known and communicated directly to the Chairperson of the Board or to the non-management or independent directors as a group, through procedures set forth in the Company's Complaint Policy which is available on the Company's website (www.centralpacificbank.com).

Audit Committee

The Audit Committee held thirteen (13) meetings during 2010. The responsibilities of the Audit Committee are described below under the subheading "Report of the Audit Committee". The Audit Committee operates under a Charter adopted by the Board. The Charter of the Audit Committee is available on the Company's website (www.centralpacificbank.com). The current members of the Company's Audit Committee are Earl E. Fry (Chair) and Crystal K. Rose, each of whom is independent within the meaning of the listing standards of the NYSE and the rules of the SEC. The Board has also determined that each member is financially literate, as such qualification is defined under the rules of the NYSE, and that each member has accounting or related financial management expertise, as such qualification is defined under the rules of the NYSE, and that Mr. Fry is an audit committee financial expert within the meaning of the rules of the SEC. No member of the Audit Committee serves on the audit committee of any other publicly registered company.

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Pursuant to the Company's Audit Committee Charter, the Audit Committee reviews and evaluates all related party transactions that are material to the financial statements pursuant to the Company's Policy Regarding Transactions with Related Persons, and determines conflicts of interest pursuant to the Company's Code of Conduct & Ethics and pursuant to its Code of Conduct & Ethics for Senior Financial Officers. In addition, certain loans to directors and executive officers and their related interests are subject to the lending restrictions set forth in Federal Reserve Board Regulation O and the lending policies and procedures of the Bank. Each director and executive officer is required to report to the Company transactions with the Company in which they have an interest.

Compensation Committee

The Compensation Committee held thirteen (13) meetings during 2010. The Compensation Committee's primary purpose is to assist the Board in discharging the Board's responsibilities relating to compensation of the Company's executive officers by evaluating and recommending to the Board approval of executive officer benefit, bonus, incentive compensation, severance, equity-based or other compensation plans, policies and programs of the Company and providing all required disclosures on executive compensation for inclusion in the Company's proxy statement. The functions of the Compensation Committee are further described in Compensation of Directors and Executive Officers below, under the subheading Compensation Discussion and Analysis. The Charter of the Compensation Committee is available on the Company's website (www.centralpacificbank.com). The current members of the Company's Compensation Committee are Christine H.H. Camp (Chair), Earl E. Fry, Alvaro J. Aguirre, and Crystal K. Rose, each of whom is independent within the meaning of the listing standards of the NYSE, is a non-employee director within the meaning of Rule 16b-3 of the Exchange Act and is an outside director within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. Effective February 18, 2011, Richard Blangiardi resigned as a director and as member and Chair of the Compensation Committee and was replaced by Christine H.H. Camp as Committee Chair.

Governance Committee

The Corporate Governance & Nominating Committee (renamed the Governance Committee) held five (5) meetings during 2010. The Governance Committee is responsible for promoting the best interests of the Company and its shareholders through the implementation of sound corporate governance principles and practices, including identifying individuals qualified to become Board members, recommending nominees for directors of the Company, reviewing the qualifications and independence of the members of the Board and its committees, reviewing and monitoring the Company's Corporate Governance Guidelines, monitoring the Board's and the Company's compliance regarding changes in corporate governance practices and laws and leading the Board in its annual review of the performance of the Board. The Charter of the Governance Committee and the Company's Corporate Governance Guidelines are available on the Company's website (www.centralpacificbank.com). The current members of the Company's Governance Committee are Paul J. Kosasa (Chair), Alvaro J. Aguirre, Christine H.H. Camp, and Crystal K. Rose, each of whom is independent within the meaning of the listing standards of the NYSE.

Executive Committee

The Executive Committee held four (4) meetings during 2010. The Board determined that, given the current circumstances, the Board no longer requires an Executive Committee and adopted a resolution dissolving the Executive Committee effective as of January 26, 2011.

Director Resignation Policy

On January 28, 2009, the Board adopted a Director Resignation Policy which provides for the following: At any shareholder meeting at which directors are subject to an uncontested election, any nominee for director who receives a greater number of votes withheld from his or her election than votes for such election shall tender a letter of resignation to the Board for consideration by the Governance Committee. The Governance Committee shall recommend to the Board the action to be taken with respect to such offer of resignation. The Board shall act promptly with respect to each such letter of resignation and shall notify the director concerned of its decision. Any director who tenders his or her resignation pursuant to this provision shall not participate in the Governance Committee or Board action regarding whether to accept his or her resignation offer.

Equity Grant Guidelines

The Company has Equity Grant Guidelines ("Equity Guidelines") which are to be considered in connection with grants of Company equity whether in the form of Company stock, stock options, or other forms of equity grants made by the Company to directors, officers or employees of the Company or any of its subsidiaries. The Equity Guidelines set forth guidelines regarding how and when grants may be made, including how grants are to be approved and documented.

Director Independence and Relationships

The Board has determined, in accordance with our Standards Regarding Director Independence, that all of the current members of the Board (other than Mr. Dean who is Executive Chairman) and those who were members of the Board during the year ended December 31, 2010, but resigned effective February 18, 2011 (other than Ronald K. Migita, the Company's former Chief Executive Officer and President) are "independent" within the meaning of the rules of the NYSE. All of the directors and nominees (other than Messrs. Dean and Migita) are non-employee directors and non-employee nominees. All committees of the Board are comprised solely of independent directors.

With respect to those directors who were determined independent by the Board, the following transactions, relationships and arrangements were considered by the Board in its determination of a director's independence and none were found to be material as they relate to director independence:

During 2010, the following directors and nominees either directly and/or indirectly through companies in which they have a business interest or affiliation, received and/or had outstanding loans with the Bank: Paul J. Kosasa, Colbert M. Matsumoto, Duane K. Kurisu, Richard J. Blangiardi, B. Jeannie Hedberg, Mike K. Sayama, Maurice H. Yamasato, Dwight L. Yoshimura and Crystal K. Rose.

During 2010, the following directors and nominees either directly and/or indirectly through companies in which they have a business interest or affiliation, opened and/or maintained deposit, trust, investment and/or other banking accounts with the Bank: Christine H.H. Camp, John C. Dean, Earl E. Fry, Paul J. Kosasa, Colbert M. Matsumoto, Duane K. Kurisu, Richard J. Blangiardi, B. Jeannie Hedberg, Mike K. Sayama, Maurice H. Yamasato, Dwight L. Yoshimura, Ronald K. Migita and Crystal K. Rose.

During 2010, the following directors and nominees served on boards of non-profit, community, charitable and/or cultural organizations, which received monetary donations from the Bank: Paul J. Kosasa, Colbert M. Matsumoto, Richard J. Blangiardi, Ronald K. Migita, Maurice H. Yamasato and Duane K. Kurisu. For 2010, the Company did not pay to any charitable or non-profit organization in which one of the Company's Board members serves on that organization's board, any amount in excess of the greater of \$1,000,000 or 2% of the recipient organization's gross annual revenues, and the amount received by such organizations ranged from a low of \$50 to a high of \$17,000 received by the Chamber of Commerce of Hawaii with, however, the average donation being substantially less.

During 2010, the following directors and nominees served on boards of companies that either directly or indirectly had business relationships with the Bank in the ordinary course of the Bank's business, in which the directors had no involvement and which are on no more favorable terms than for other similarly situated matters: Colbert M. Matsumoto and Duane K. Kurisu.

During 2010, the following directors served as officers of companies that either directly or indirectly had business relationships with the Bank in the ordinary course of the Bank's business, in which the directors had no involvement and which are on no more favorable terms than for other similarly situated matters: Paul J. Kosasa, Richard J. Blangiardi, Mike K. Sayama, Dwight L. Yoshimura, Duane K. Kurisu and Colbert M. Matsumoto.

Company director Colbert M. Matsumoto is the President and a director of Tradewind Capital Group, Inc. (TCG) which is the sole member of Island-Waipahu, LLC (Island-Waipahu). Island-Waipahu and M&M Investments, Inc. (M&M) each hold 50% membership interests in Plantation Town Apartments LLC (PTA). PTA has a construction loan to develop a residential condominium project in Waipahu, Hawaii. Regarding said construction loan, the largest aggregate amount of principal outstanding during 2010 was \$15,747,162 (as of March 15, 2010); the amount outstanding as of December 31, 2010, was \$7,254,407; the amount of principal paid during 2010 was \$9,004,851; the amount of interest paid during 2010 was \$651,465; and, the rate of interest was 5.50% effective December 5, 2009. Demand for this project has been adversely impacted by restrictive affordable-housing criteria, weakened economic conditions, and tightened credit markets. Mr. Matsumoto is President and a director and holds less than a 5% ownership interest in Island Holdings, Inc., which owns TCG. TCG is a minority passive investor (35%) in Century Computers, Inc. (CCI) and Mr. Matsumoto serves as a director of CCI. Prior to TCG's investment in CCI and Mr. Matsumoto's election as a Director of CCI, CCI was a vendor to the Bank and provided various information technology and business process services, and in 2010 was paid \$244,599 for such services. Mr. Matsumoto had no direct involvement in these transactions and they were made on no more favorable terms than for other similarly situated transactions.

Company director Colbert M. Matsumoto is Chief Executive Officer and Chairman of the Board of Island Insurance Company, Ltd. (Island) which wholly owns Atlas Insurance Agency, Inc. (Atlas). Mr. Matsumoto is a director and Chairman of the Board of Atlas. In 2010, the Company and its subsidiaries collectively paid \$120,762 to Island in premiums for insurance policies (\$6,101 of which was paid to Atlas in commissions), and the Company and its subsidiaries also collectively paid \$237,758 to Atlas in commissions for insurance policies that Atlas placed on behalf of the Company and its subsidiaries with various insurance companies. In addition, Atlas paid the Bank \$44,193 in rent for space in the Bank's Hilo office building. Mr. Matsumoto had no direct involvement in these transactions and they were made on no more favorable terms than for other similarly situated transactions. Mr. Matsumoto is a director of Oahu Publications, Inc. which publishes Honolulu Star Bulletin/Midweek (Honolulu Star). In 2010, the Bank paid Honolulu Star \$47,730 for print advertising. Mr. Matsumoto is a Trustee of the Employees Retirement System of the State of Hawaii (ERS). In 2010, CPB's subsidiary, Central Pacific HomeLoans, Inc. paid ERS \$697,432 in rent for space in City Financial Tower. Mr. Matsumoto is a Director and Chairman of the Board of Tradewind Insurance Company, Ltd. which provides workers compensation insurance coverage to the Bank under a policy with a term ending March 1, 2011, for which it received a premium of \$120,040. Mr. Matsumoto had no direct involvement in these transactions and they were made on no more favorable terms than for other similarly situated transactions.

Nominee and Bank director Duane K. Kurisu is a director of Tradewind Capital Group, Inc. (TCG) and of Island Holdings Inc., which owns TCG. See information above for Colbert M. Matsumoto regarding the PTA construction loan. Mr. Kurisu had no direct involvement in the PTA loan transaction and it was made on no more favorable terms than for other similarly situated transactions.

Mr. Kurisu is a director and holds a less than a 5% ownership interest in Oahu Publications, Inc. which publishes Honolulu Star Bulletin/Midweek (Honolulu Star) and Hawaii Luxury magazine. Mr. Kurisu is sole owner and Chief Executive Officer of PacificBasin Communications, LLC which publishes Hawaii Business magazine and Honolulu magazine. Mr. Kurisu is a director and 50% owner of id8, LLC, which publishes Obun Hawaii. In 2010, the Bank paid a total amount of \$85,100 for print advertising in these publications: \$47,730 in the Honolulu Star; \$8,000 in the Hawaii Luxury Magazine; \$22,715 in the Hawaii Business Magazine; \$4,315 in Honolulu magazine; and \$2,250 in Obun Hawaii. Mr. Kurisu had no direct involvement with any transaction involving the placement of advertising and they were made on no more favorable terms than for other similarly situated transactions.

Richard J. Blangiardi, who resigned as Company director on February 18, 2011, is General Manager of KGMB and KHNL (owned by Raycom Media) television stations and is an employee of Raycom Media which also owns television station KFVE. In 2010, the Bank paid KGMB \$138,605, KHNL \$55,100, and KFVE \$54,130 totaling \$247,835, for the purchase of television advertising. Mr. Blangiardi had no direct involvement in these transactions and they were made on no more favorable terms than for other similarly situated transactions.

Mike K. Sayama, who resigned as Company director on February 18, 2011, is a Vice President of Hawaii Medical Service Association (HMSA). In 2010, the Company and the Bank collectively paid \$781,323 to HMSA in premiums for health insurance for the Company's and the Bank's employees, which amount, however, comprises significantly less than 2% of HMSA's 2010 gross revenues. In 2010, the Bank paid \$242,178 to HMSA in rent for the Bank's Keeaumoku Branch which is located in one of HMSA's buildings (which amount, when combined with all other amounts paid to HMSA in 2010, comprises significantly less than 2% of HMSA's 2010 gross revenues). In 2010, Integrated Services, Inc., an HMSA subsidiary, paid \$420,593 to the Bank for the rental of space in one of the Bank's buildings up until the Bank sold the building on November 1, 2010. Mr. Sayama had no direct involvement in these transactions and they were made on no more favorable terms than for other similarly situated transactions.

Dwight L. Yoshimura, who resigned as Company director on February 18, 2011, was Senior Vice President and Senior General Manager with GGP Ala Moana L.L.C., which is a subsidiary of GGP Ala Moana Holdings L.L.C., which is a subsidiary of GGPLP L.L.C., which is a subsidiary of GGP Limited Partnership, which is a subsidiary of General Growth Properties, Inc. (GGP). The Bank has four (4) equipment (tax) leases to GGP Ala Moana L.L.C. with the largest aggregate amount outstanding during 2010 being \$173,997 and with the aggregate amount outstanding as of December 31, 2010 being approximately \$114,092 (original amounts of \$37,590 lease of 2-way radios, \$181,571 lease of solar photovoltaic system, \$30,024 lease of ATV motorcycles and Motorola portable radios, and \$36,887 lease of electric mobility vehicle), and with outstanding amounts as of December 31, 2010, being -\$2,161 (due to overpayment), \$108,991, \$865 and \$6,397 respectively. Mr. Yoshimura had no direct involvement in these transactions and they were made on no more favorable terms than for other similarly situated transactions.

In October 2009, the Bank was the successful bidder on obtaining rights to place its ATMs in four retail shopping centers owned by GGP in Hawaii (Prince Kuhio Plaza, Queen Kaahumanu Shopping Center, Ala Moana Shopping Center and Ward Centers). Under this arrangement, the Bank would pay GGP an annual fee of \$60,000, plus estimated annual gross rent for all ATMs of \$611,500, plus estimated annual revenue sharing fees for all ATMs of \$294,570. During 2010, the Bank paid GGP total rent of \$484,495 (the amount is \$443,755 when taking into consideration the transfer on November 9, 2010 of the Ward Centers to The Howard Hughes Corporation due to GGP's bankruptcy reorganization, and the transfer on July 10, 2010 of the Queen Kaahumanu Shopping Center to Jones Lang LaSalle Americas, although GGP maintains some interest in and/or relationship to these transferees). Mr. Yoshimura had no direct involvement in these transactions and they were made on no more favorable terms than for other similarly situated transactions.

Company director Paul J. Kosasa is President and Chief Executive Officer of ABC Stores. In 2010, the Bank paid ABC Stores \$114,943 for the right to lease space in various ABC Stores locations for the placement of Bank ATMs.

Loans to Related Persons

The Bank, which is a wholly owned subsidiary of the Company, has made (in addition to the loans specified in the Director Independence and Relationships section immediately preceding this section) loans to directors and executive officers, their immediate family members, and companies in which they have an interest, in the ordinary course of its business as a bank. These loans were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Bank and do not involve more than the normal risk of collectibility or present other unfavorable features, excepting, however, those loans and credits specifically described in the preceding Director Independence and Relationships section.

Policy Regarding Transactions with Related Persons

The Company has a Board approved written policy (Policy Regarding Transactions with Related Persons) which sets forth the process and procedures for the review, approval, ratification and disclosure of any transaction with a related person (transaction and related person being as defined by Item 404 of SEC Regulation S-K). Transactions with related persons that affect a director's independence are reviewed by the Company's Governance Committee. Transactions with related persons that involve loans are reviewed by the Bank's Board Senior Loan Committee. All other transactions with related persons that are material to the financial statements are reviewed by the Company's Audit Committee.

Board Leadership Structure and Risk Oversight

The Company's Board has no policy with respect to the separation of the offices of Chairman, President and Chief Executive Officer. It is the Board's view that rather than having a rigid policy, the Board, with the advice and assistance of its Governance Committee, and upon consideration of all relevant factors and circumstances, will determine, as and when appropriate, whether the offices of Chairman, President and Chief Executive Officer should be separate. From September 15, 2004 through July 31, 2008, the Chairman of the Board and the executive positions of President and Chief Executive Officer were not held by the same individual. However, on August 1, 2008, upon the retirement of the then President and Chief Executive Officer Clint Arnoldus, Mr. Ronald K. Migita, who was then Chairman of the Board, was appointed as President and Chief Executive Officer of both the Company and the Bank due to his extensive banking experience in the Hawaii market, among other reasons. The Board believes that it was appropriate for Mr. Migita to serve as combined Chairman of the Board, President and Chief Executive Officer given the

Company's challenges and that having one individual serve in combined roles facilitated enhanced communications and interactions between the Board and management, and fostered more efficient and effective discussion and decision-making. On March 16, 2010, Mr. Migita retired as Chairman of the Board, President and Chief Executive Officer of the Company and the Bank. On March 15, 2010, the Board of the Company and the Bank appointed Mr. John C. Dean as Executive Chairman of the Board for both the Company and the Bank, subject to regulatory approval, which was received in June 2010. The Company believed that given the critical condition of the Company and the need to promptly implement the Company's recovery plan it was appropriate to have Mr. Dean act as principal executive and Executive Chairman of the Board since it reduced the number of executives involved and facilitated a more rapid implementation of the recovery plan. The Company has an independent Lead Director (Crystal K. Rose) and all members of the Board are outside (non-management) directors with the sole exception of Mr. Dean. As the Board's Lead Director during 2010, Ms. Rose, who also chaired the Board's Governance Committee, presided over all meetings of the non-management directors in executive sessions, acted as liaison and facilitated communications between the Board and the principal executive, and ensured independent Board governance and oversight of management. In addition, all members of the Board's Audit Committee, Compensation Committee, and Governance Committee are comprised of independent, non-management directors.

The Company is a one-bank holding company, with the Bank being the Company's only bank subsidiary. All of the directors on the Company's Board also serve on the Bank's Board of Directors. In addition, all of the Company's directors who serve on the Company's Audit Committee, Compensation Committee and Governance Committee also serve on those same board level committees at the Bank. Ernst & Young, the Company's and Bank's Internal Auditor effective February 1, 2010, reports directly to the Company's and Bank's respective Audit Committees. In addition, the Bank also has an additional board level Trust Committee and Senior Loan Committee which provide board level oversight over the Bank's trust activities and lending activities respectively. The Company's and Bank's Audit Committees perform the required and customary risk oversight functions of an Audit Committee, to include, overseeing accounting, auditing, internal controls, legal and regulatory matters, financial reporting and financial risk. The Company's and the Bank's Compensation Committees perform the required and customary risk oversight functions of a Compensation Committee, to include, overseeing the Company's and Bank's compliance with any laws, rules and regulations applicable to the Company's and Bank's compensation practices, plans and programs, and to ensure that compensation is not structured in a way which will encourage unnecessary or excessive risk taking. The Company's and Bank's Chief Financial Officer, General Counsel, and Compliance Manager report regularly to the Company's and Bank's Audit Committees. The Company's and Bank's Chief Credit Officer is required to report regularly to the Bank's Senior Loan Committee. All Company and Bank executive officers report regularly to the Company's and Bank's Board of Directors.

Code of Conduct & Ethics

The Company is committed to promoting and fostering ethical conduct and sound corporate governance principles. The Company has a Code of Conduct & Ethics applicable to all employees, officers and directors of the Company. In addition, the Company also has a supplemental Code of Conduct & Ethics For Senior Financial Officers, which is applicable to the Chief Executive Officer, President, Chief Financial Officer, Controller, any other principal financial officer or principal accounting officer and any other person fulfilling and/or performing any similar role, function or capacity. Both of the aforementioned Codes of Conduct & Ethics are available on the Company's website (www.centralpacificbank.com).

Director Nomination Process

Director Qualifications. The Governance Committee is responsible for reviewing the qualifications and independence of director nominees in accordance with the criteria set forth in the Company's Corporate Governance Guidelines. The general criteria considered include qualification as independent, diversity, age, skills, experience and other relevant considerations in the context of the needs of the Board. Diversity is considered and desired and is viewed in a broad context, to include aspiring to having individuals serving on the Board representing different professions, industries, backgrounds, experiences, cultures, ethnicities, races, and gender, representative of Hawaii's multi-cultural, multi-ethnic, and multi-racial population and community.

Identifying and Evaluating Nominees. The Board seeks to identify candidates for director positions that are best qualified and suited to meet the needs of the Company and to present these candidates for shareholder approval, as and when director positions become open and available. The Governance Committee will first identify, review, evaluate and recommend to the Board, nominees for director positions. The Board will then vote whether or not to recommend such nominees to the Company's shareholders for election.

In identifying potential director nominees, the Governance Committee will search within the State of Hawaii and may search outside the State of Hawaii for any potential director candidates, and in this regard, may utilize the services of a professional search firm. While the same general criteria set forth above shall be applied in evaluating a candidate's qualifications, it is difficult to enumerate all of the attributes, skills and qualities that the Governance Committee and/or Board may, at any given point in time, determine, consider and value in evaluating, selecting and recommending director nominees. Accordingly, the Governance Committee and the Board exercise their discretion and consider any circumstances, experiences, attributes, skills, qualities, and factors applicable to any director nominee with the intent and purpose of having the best qualified and best suited directors serving on the Board at all times, as well as ensuring that the Board as a whole is diverse and well rounded. The Board may enlist the services of a third party to conduct a background check or other investigation in order to determine whether a candidate meets any criteria.

Shareholder Nominees. In accordance with the policies set forth in the Company's Corporate Governance Guidelines and the Company's Bylaws (as amended), the Governance Committee will consider properly submitted director nominees for election at the year 2012 Annual Meeting of Shareholders recommended by shareholders if such recommendations are received in writing not less than ninety (90) calendar days nor more than one hundred twenty (120) calendar days prior to the first anniversary date of the annual meeting for the preceding year, and comply with all other applicable requirements set forth in said Corporate Governance Guidelines and Bylaws (as amended). Shareholder recommendations should be addressed to the Company's Corporate Secretary, P.O. Box 3590, Honolulu, Hawaii 96811.

Communications with the Board

Shareholders of the Company and others may send written communications directly to the Board, addressed to: Board of Directors of Central Pacific Financial Corp., 220 South King Street, 22nd Floor, Honolulu, Hawaii 96813. Any such communication may be directed to the attention of the Chair of the Board or the Chair of any Board Committee (such as, for example, the Chair of the Audit Committee or the Chair of the Governance Committee) or to the non-management or independent directors. Shareholders and others sending such communications should include the following in their written communication: (a) such shareholder(s) and others should identify himself/herself/itself/themselves, and if a shareholder, provide reasonably satisfactory proof of their ownership of the Company's stock; (b) such shareholder(s) and others should state in reasonable detail and communicate with reasonable clarity and specificity their issue or concern; and (c) such shareholder(s) and others should include their contact information (at a minimum, phone number and address). Shareholders and others who wish to communicate anonymously with the Board or any group of the Board should refer to the Company's Complaint Policy. However, nothing that is stated in this paragraph shall override any requirements imposed on any shareholder communications under the Company's Articles of Incorporation (as amended) or Bylaws (as amended) or other governing documents or by any law, rule or regulation.

REPORT OF THE AUDIT COMMITTEE

The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filings under the United States Securities Act of 1933, as amended, or under the United States Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this Report by reference.

As of February 18, 2011, the Audit Committee is comprised of two (2) non-management directors and operates pursuant to a written charter that was readopted by our Board on January 27, 2010. The charter is also available on our website at <https://www.centralpacificbank.com>. During 2010, the Audit Committee held thirteen (13) meetings, including five (5) private sessions with executive management, three (3) private sessions with the independent auditors, and three (3) private sessions with the Director of Internal Audit. The Audit Committee's primary purposes are to: (a) assist the Board in its oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the Company's independent auditors' qualifications and independence, and (iv) the performance of the Company's internal audit function and independent auditors; (b) decide whether to appoint, retain or terminate the Company's independent auditors and to pre-approve all audit, audit-related and other services, if any, to be provided by the independent auditors; and (c) prepare this Report. The Board has determined, upon the recommendation of the Governance Committee, that each member of the Audit Committee is independent within the meaning of the rules of the NYSE and the SEC. The Board has also determined that each member is financially literate, that each member has accounting or related financial management expertise, as such qualifications are defined under the rules of the NYSE, and that one (1) member is an audit committee financial expert within the meaning of the rules of the SEC, being Earl E. Fry, Chair of the Audit Committee. The Audit Committee is established in accordance with Section 3(a)(58)(A) of the United States Securities Exchange Act of 1934, as amended.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements, accounting and financial reporting principles and the establishment and effectiveness of internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for performing an independent audit of the financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), expressing an opinion as to the conformity of such financial statements with generally accepted accounting principles and auditing the effectiveness of internal control over financial reporting. The independent auditors have free access to the Audit Committee to discuss any matters they deem appropriate.

In performing its oversight role, the Audit Committee has considered and discussed the audited financial statements with management and the independent auditors. The Committee has also discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 114, The Auditor's Communication With Those Charged With Governance adopted by the PCAOB. The Committee has received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1, Independent Discussions with Audit Committees, as adopted by the PCAOB, and has discussed with the independent accountant the independent accountant's independence. All non-audit services performed by the independent auditors must be specifically pre-approved by the Audit Committee or a member thereof.

During 2010, the Audit Committee performed all its duties and responsibilities under the Audit Committee Charter. In addition, based on the reports and discussions described in this Report, the Audit Committee recommended to the Board that the audited financial statements of the Company for 2010 be included in the Company's Annual Report on Form 10-K for such fiscal year.

Respectfully submitted by the current members of the Audit Committee of the Board:

Earl E. Fry, Chair
Crystal K. Rose

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**DIRECTOR COMPENSATION**

The following table shows, for the year ending December 31, 2010, information on compensation earned by or awarded to each non-employee director who served on the Company's Board during 2010. On February 2, 2011, the Company effected a one for twenty reverse stock split of the outstanding shares of its Common Stock (the Reverse Stock Split). Unless otherwise indicated, all of the share numbers and per share amounts contained in this Compensation of Directors and Executive Officers section have been restated to give effect to the Reverse Stock Split.

Name	Fees Earned or Paid in Cash	Stock Awards	Options Awards	Non-Equity Incentive Plan Compensation	Change in Pension Values & Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Richard J. Blangiardi	\$41,633						