



Code of Business Conduct

(as adopted on October 29, 2010)

Hawaiian Telcom is the premier telecommunications company for Hawaii, and we intend to keep it that way. By delivering advanced communications products and by providing the best customer service in the Islands, we can grow and thrive over the long haul. Our success also depends upon working with the highest standards of ethics and integrity. Everyone who counts on Hawaiian Telcom -- including customers, investors and employees -- must know beyond any doubt that we are a trustworthy company.

Our commitment to corporate ethics and integrity must be unwavering and unrelenting. This Code of Business Conduct is designed to help all of us live up to that goal. The Code provides clear and basic standards that must guide our behavior in every situation. Please read the Code carefully and become familiar with it and act on these principles. Speak up when you have a concern or a question. As always, you should feel free to raise potential issues with your supervisor, your Human Resources representative, the Legal Department, Corporate Security, Internal Audit or by contacting the HT Ethics Hotline.

Your dedication to these standards will help us build and maintain our corporate reputation for excellence and quality. And at the end of the day, we all will feel a sense of pride, not just in what we accomplished together, but also in how we achieved our success.

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INTRODUCTION

The purpose of this Code of Business Conduct (“Code”) is to promote an ethical culture in Hawaiian Telcom Holdco, Inc. and its subsidiaries (“Hawaiian Telcom” or “Company”). Hawaiian Telcom’s corporate standard calls for nothing less than unrelenting honesty and integrity in everything we do and the Code is written to help us attain that goal.

This Code of Business Conduct is designed to give you a broad and clear understanding of the conduct expected of all employees. This Code applies to all officers and employees of the Company, who, unless otherwise specified, will be referred to jointly as “employees.” This Code is also applicable to all parties who work on behalf of Hawaiian Telcom, including but not limited to consultants, in-house contractors, employees of subsidiaries and affiliates, and representatives.

IMPORTANT NOTES

This Code is not an employment contract and does not create any contractual rights of any kind between the Company and its employees. The Code does not give rights of any kind, and may be changed by Hawaiian Telcom at any time without notice.

This Code was adopted January 2006 and is being distributed to all employees. Hawaiian Telcom requires every employee at the time of the adoption of this Code, and every new employee, to acknowledge in writing that he or she received and reviewed the Code and agrees to be bound by its provisions. Periodically, the Company may require employees to reaffirm in writing that they have received and reviewed the Code and agree to comply with its provisions.

Although the Code addresses a wide range of business, legal, and ethical matters, it can’t address every situation that may arise or set forth every rule. Therefore, the Code is not a substitute for the responsibility of every employee to exercise good judgment and common sense. In addition, situations not addressed by the Code may be covered by a Company policy.

Employees are responsible for reporting any violation of the Code, whether or not in their particular work area, particularly an accounting or public reporting issue. The Company recognizes that employees may prefer an anonymous means of reporting concerns with respect to more serious matters. Therefore, reports can be made confidentially through the externally-managed HT Ethics Hotline (1-866-ETHICSP (384-4277)) or through the externally-hosted, internet-based reporting system called EthicsPoint at www.ethicspoint.com. For additional information see the “Reporting Violations” section of this Code.

Employees who don't comply with this Code and other Hawaiian Telcom policies may be disciplined, up to and including dismissal.

Any waiver of any provision of this Code for an executive officer (as defined under the Securities Exchange Act of 1934), must be approved by the Board of Directors, or a designated Committee of the Board. Hawaiian Telcom generally will not grant such waivers and will make exceptions only for good cause.

STANDARDS AND COMPLIANCE

General Policy

It is the policy of Hawaiian Telcom to conduct its business with uncompromising honesty and integrity. Every member of the Hawaiian Telcom team, including but not limited to its employees, consultants, in-house contractors, employees of subsidiaries and affiliates, and representatives, is expected to comply with all applicable laws and adhere to the highest standards of business ethics.

Individual Responsibilities

Employees are responsible for complying with both the letter and spirit of applicable laws and regulations. They are expected to act fairly and honestly when conducting business on behalf of Hawaiian Telcom and to maintain Hawaiian Telcom's high ethical standards.

Additionally, employees are responsible for adhering strictly to the Code and to all policies of Hawaiian Telcom. Employees are responsible for knowing all Company policies applicable to them and for complying with such policies. Employees are expected to:

- Conduct business activities with utmost honesty and integrity.
- Be respectful of each other and customers, never behaving in any abusive, obscene, or discourteous manner.
- Not misrepresent the organization.
- Follow the Code, policies and procedures, and applicable laws and regulations of the business and work responsibilities.
- Never act unethically, ask anyone to act unethically, or support any unethical action even if directed to do so.
- Be responsible for their own actions, honestly accounting for and reporting on activities.
- Seek assistance or raise concerns when faced with a challenging ethical situation.
- Fully cooperate with any Hawaiian Telcom investigations.
- Report potential violations of the Code.

Additional Management Responsibilities

In addition to individual responsibilities, Hawaiian Telcom executives and managers are expected to meet responsibilities related to their leadership roles. They are responsible for ensuring that employees are aware that the Hawaiian Telcom basic operating principle is to conduct business in accordance with the highest level of ethical standards.

Managers shall lead by example and ensure that all team members learn and have the opportunity to discuss the practical application of these standards. They are expected to review these standards with their teams on a periodic basis or as needed.

Managers of Hawaiian Telcom are expected to:

- Support employees to follow the Code.
- Foster a work environment that encourages ethical business conduct, adherence to Company policies and procedures, mutual respect, and cooperation.
- Maintain a safe workplace.
- Maintain open communication and encourage discussion.
- Demonstrate leadership by appropriate delegation and direction, and by acting with respect, integrity, fairness, and honesty.

Additional Responsibilities for Employees Involved with Financial Reporting

The Finance Department bears a special responsibility for promoting integrity throughout the organization, with responsibilities to stakeholders both inside and outside of Hawaiian Telcom. The Chief Executive Officer, the Chief Financial Officer and Finance Department personnel have a special role both to adhere to these standards themselves and to ensure that a culture exists throughout the Company that ensures the fair and timely reporting of Hawaiian Telcom's financial results and condition. Because of this special role, they shall:

- Maintain high standards of honest and ethical conduct and avoid any actual or apparent conflicts of interest between personal and professional relationships;
- Report any conflict of interest that may arise and any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest;
- Provide information that is accurate, complete, objective, relevant, timely, and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that Hawaiian Telcom submits to government agencies and in other public communications;
- Respect the confidentiality of information acquired in the course of work except when authorized or otherwise legally obligated to disclose;
- Ensure confidential information acquired in the course of their work is not used for personal advantage;
- Comply and take all reasonable actions to cause others to comply with applicable laws, rules, and regulations; and
- Promptly report violations of this Code.

Reporting Violations

Employees are responsible for reporting concerns and potential or actual misconduct that violate this Code. In particular, all employees, not just those involved with financial reporting, are responsible for reporting issues relating to Hawaiian Telcom's financial statements. If employees observe possible illegal or unethical activity, they are expected to report it to management, or to one of Hawaiian Telcom's compliance functions, such as Human Resources Department, the Legal Department, Corporate Security or Internal Audit, as appropriate.

Employees' reports will be kept confidential to the extent permitted by law and the Company's ability to address concerns. In certain instances, employees' names may be provided to those persons involved in the investigation or with a "need to know" about the situation. It is Hawaiian Telcom's policy that no employee will suffer adverse action for honestly raising an ethical or legal concern.

Reporting on an anonymous basis is available via the HT Ethics Hotline or www.ethicspoint.com. The HT Ethics Hotline and the website are staffed by EthicsPoint, an independent, third-party resource. All employees are encouraged to use these tools if they reasonably believe that a violation has occurred or is about to occur.

There are three ways to report:

Toll-Free Phone 1-866-ETHICSP (384-4277)



Hawaiian Telcom Intranet – from the Employee Page, click the EP link and it will automatically direct you to the EthicsPoint website where you may file a report online.

Internet – from any computer with internet access (home, office, library, etc.) by accessing www.ethicspoint.com

Corrective Action and Discipline

Employees who violate the Code may be disciplined up to and including dismissal, as well as be subject to civil and criminal charges. If misconduct occurs, Hawaiian Telcom is committed to taking prompt and responsive action to correct the situation and discipline responsible individuals.

Management employees may be disciplined if they condone misconduct, do not report misconduct, do not take reasonable measures to detect misconduct, or do not demonstrate the appropriate leadership to ensure compliance. Managers who have supervisory responsibility must use appropriate measures to ensure that disciplinary action for their employees is consistent and appropriate to the situation, and can consult with Human Resources for guidance.

Situation #1: Your supervisor says she doesn't care what the law says, you are specifically instructed to conduct yourself as she says, and she'll take full responsibility.

Guidance: If her instructions cause you to violate this Code, you'll both be in violation. You are required to report your supervisor for requiring you to take actions in violation of the Code.

Situation #2: The Code covers so many areas and you are concerned that you might not understand it all and be violating some little technicality.

Guidance: If something seems intuitively wrong to you, ask before acting. You also have an obligation to understand the finer points of the rules governing your job. Human Resources and the Legal Department are familiar with the Code and Company policies. Do not hesitate to contact them if you need clarification of the laws or of Hawaiian Telcom standards and policies.

EMPLOYEES AND THE COMMUNITY

General Policy

Hawaiian Telcom is firmly committed to creating and maintaining a diverse and inclusive work environment free from all forms of prohibited discrimination, including sexual harassment and other forms of harassment. Hawaiian Telcom does not tolerate discrimination, harassment or other inappropriate conduct based on sex, race, color, religion, national origin, citizenship, ancestry, age, disability, marital status, sexual orientation, arrest and court record, military/veteran's status, or any other classification protected by federal or state law. Employees are expected to abide by the policies and guidelines that foster these Company objectives.

Diversity and Equal Opportunity

Hawaiian Telcom provides equal employment opportunities to all applicants and employees with respect to hiring, transfer, promotion and all other terms and conditions of employment, regardless of sex, race, color, religion, national origin, citizenship, ancestry, age, disability, marital status, sexual orientation, arrest and court record, military/veteran status, and any other classification protected by federal or state law. Employees are expected to embody and promote these values in their daily activities. They shall comply with all laws and Hawaiian Telcom policies relating to the treatment of all employees.

Harassment and Intimidation

Hawaiian Telcom strives to provide a work environment free of sexual or any other kind of harassment whether committed by or against a supervisor, co-worker, customer, vendor or visitor based on a person's race, color, religion, national origin, citizenship, ancestry, age, disability, marital status, sexual orientation, arrest and court record, military/veteran's status, or any other classification protected by federal or state law. Employees shall not engage in any behavior that ridicules, belittles, intimidates, threatens or otherwise demeans co-workers or others associated with the Company. Hawaiian Telcom will not tolerate harassment in any form – conduct, speech, written notes, photos, cartoon or electronic mail.

Retaliation

Hawaiian Telcom will not tolerate retaliation by anyone, in any form, against any individual who reports or threatens to report sexual or any other form of harassment, or who cooperates with an investigation of a complaint. Retaliation can consist of threats, reprimands, negative evaluations, hazing, bullying tactics and other types of adverse treatment by a co-worker or manager. Any employee found to have engaged in retaliation will be subject to discipline, including termination of employment.

Safety

Hawaiian Telcom assigns the highest priority to the safety of its employees. No job is so important that it has to be performed in an unsafe manner. Ultimately, however, employees are responsible for their own safety. They must, for their own and fellow workers' safety, abide by Hawaiian Telcom's procedures and safe work practices, and use all appropriate personal protective equipment.

Misconduct

In general, misconduct is illegal or harmful activity that involves or affects Hawaiian Telcom and its employees. Misconduct includes, among other things, violation of the provisions of this Code, theft, records falsification, involvement with unlawful drugs, unauthorized use of alcohol, violence, threats, harassment, possession of weapons, and insubordination. If employees engage in misconduct, they are subject to discipline, up to and including termination of employment.

Privacy of Employee Information

Hawaiian Telcom respects the confidentiality of employees' information including medical and personnel records. Employees are expected to adhere to the highest standards of confidentiality regarding the use of personal information. Employees shall not share or discuss such information, except as authorized by the affected employee or as required or permitted by law, rule, regulation or a subpoena or order issued by a court or requested by a judicial, administrative or legislative body.

Communities and the Environment

Hawaiian Telcom has a responsibility to operate as a good corporate citizen and is dedicated to delivering quality products and services, and to cooperating with community leaders and members for the benefit of local communities. Hawaiian Telcom encourages all employees to participate in local activities that address needs of the communities in which they reside and work.

Employees are expected to conduct Hawaiian Telcom business in an environmentally responsible manner. They shall respect the environment by complying with all applicable environmental laws in locations in which Hawaiian Telcom conducts business.

Situation #3: You believe that you did not receive a promotion because you are pregnant. You heard your manager say that when a woman becomes pregnant, it inevitably interferes with job performance.

Guidance: All employment-related decisions at Hawaiian Telcom (e.g., promotion, training, etc.) must be based on job-related criteria, skills and performance. You should use the complaint processes within Hawaiian Telcom and report the situation to Human Resources.

Situation #4: You believe you received a poor performance evaluation after you made a complaint about the accounting treatment of an item. Previously, you had always received excellent reviews.

Guidance: Hawaiian Telcom's policy prohibits any retaliation against employees who raise legitimate concerns. Contact the Legal Department or Human Resources with your concerns.

CONFLICTS OF INTERESTS

General Policy

Employees shall maintain a confidential and trusted relationship with Hawaiian Telcom and are expected to act at all times in the Company's best interests and to exercise sound judgment unclouded by personal interests or divided loyalties. Employees must understand and agree that public trust and confidence and the business reputation of Hawaiian Telcom are important assets that can be preserved only if all employees maintain the highest standards of integrity, credibility, confidentiality, and business ethics at all times. Therefore, in performing duties at the Company and in outside activities, employees shall avoid the appearance as well as the reality of a conflict of interest.

Employees shall avoid situations that may unduly deprive the Company of the full measure of working time and loyalties. While it is not possible to describe all situations that may create a conflict of interest, the following examples are designed to encourage employees to think through what situation may or may not present a conflict. Employees are expected to fully disclose a perceived conflict so that the Company can determine, in its sole discretion, whether a conflict of interest may exist. Some of the most common conflict of interest situations are as follows.

Outside Employment & Activities

Hawaiian Telcom policy does not prohibit all outside employment; however, such employment, with or without compensation, must not create an actual or potential conflict of interest. Employees' primary work responsibility is to Hawaiian Telcom. Any outside activity must be strictly separated from Hawaiian Telcom employment and should not interfere with job performance at Hawaiian Telcom. To assess whether a potential conflict of interest may exist, employees need to consider the activities in which they may be engaging, regardless of whether they are called an "employee," "consultant," "contractor," "owner," "investor" or "volunteer".

- Employees may not work for a competitor of any Hawaiian Telcom business unit.
- Employees may not provide services to Hawaiian Telcom except in their role as a Hawaiian Telcom employee. For example, an individual may not be an independent consultant to Hawaiian Telcom if he/she is already an employee.

Employment of Relatives

Hawaiian Telcom generally supports the hiring of employee related parties including, but not limited to, spouse, parents, siblings, grandparents, children, uncles, aunts, cousins, in-laws (including step-parents, step-siblings and stepchildren), or any individual living in the employee's household; however, an employee should not supervise or be in a position to influence the hiring, job responsibilities or performance assessments of a relative because such situation may create an actual or potential conflict of interest, the appearance of improper influence or favoritism, morale issues, or other business problems. Where this situation arises, employees will notify and involve the Human Resources Department.

Investments

Employees need to be careful that their investment opportunities do not arise out of their employment with Hawaiian Telcom, and that their investments do not create conflicts of interest, impairing their ability to make objective decisions on behalf of Hawaiian Telcom. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if an employee has an investment in a competitor, supplier, customer or distributor and his/her work decisions may have a business impact on this outside party. If there is any doubt about how an investment might be perceived, it should be disclosed to management.

Employees are also prohibited from directly or indirectly buying, or otherwise acquiring rights to any property or materials, when they know that Hawaiian Telcom may be interested in pursuing such an opportunity and the opportunity is not public.

Gifts & Entertainment

Employees may not provide or receive business gifts and entertainment when doing so may create the appearance of undue influence. This restriction applies to gifts given to or received from representatives of current or potential customers, suppliers, business partners and competitors, as well as their families, the employees' families, and others with whom the employees have close personal relationships.

Gifts may be accepted when permitted by applicable law if they are non-cash gifts of nominal value (not to exceed \$100 per calendar year to/from the same person), promotional materials or customary and reasonable meals and entertainment at which the giver is present, such as an occasional business meal or sporting event. For additional details on gifts and entertainment, see the "Business Practices" section of this Code.

Disclosing Conflicts

Employees are expected to use their best judgment to evaluate objectively whether outside activities, investments or other situations may lead to conflicts of interest. Any situation that might constitute a conflict of interest must be disclosed in writing and approved by the CEO or if a material amount, by the Board of Directors, prior to the time the situation arises whenever possible and, in any event, no later than when the employee first becomes aware of it. These Disclosure Statement forms are available online through the Human Resources portal.

Situation #5: A Hawaiian Telcom manager's wife is employed by a consulting company that is a supplier/vendor to the Company. The wife has no business dealings with Hawaiian Telcom, and the manager has no business dealings with the consulting company. Is the manager obliged to disclose the relationship?

Guidance: No. But the manager must seek CEO approval if his job changes so that he deals with the consulting company, or his wife's job changes so that she deals with Hawaiian Telcom.

Situation #6: An administrative assistant's husband owns an office supply company with lower prices than anyone else. The assistant's duties at Hawaiian Telcom included ordering office supplies, so she ordered them from her husband's company. But she didn't disclose this situation in writing and obtain prior approval of the transaction.

Guidance: The employee violated the Code. The CEO must approve in advance any transaction in which an employee has such a financial interest.

Situation #7: An Accounting Supervisor hired his brother to do some contract work for Hawaiian Telcom. The brother's hourly rates were the best rates available.

Guidance: Regardless of the brother's rates, it is a violation of the Code if the Supervisor hires him to perform services under a contract if he will be working for the Supervisor or if the Supervisor has any influence over the decision to employ him.

CUSTOMERS

General Policy

Hawaiian Telcom wins and maintains customer relationships based on the quality and value of its products and services. Employees are expected to deal fairly and honestly with customers, and provide the best service that they can.

Advertising and Sales

Hawaiian Telcom builds long-term relationships with customers by demonstrating honesty and integrity. The Company's advertising will be fair, factual and complete. Advertising and promotional materials may not deceive or mislead current or potential customers. All advertising and promotional claims must be formally substantiated and documented with current factual data before publication. While Hawaiian Telcom intends to market and sell products and services aggressively, employees must also abide by the law.

- Employees may not make false or misleading statements about Hawaiian Telcom products or services, or those of competitors, in marketing or sales activities.
- Comparative advertising is generally permitted provided that proper substantiation is made prior to publication.

- Employees must place or record an order for Hawaiian Telcom products and services on behalf of a customer only with that customer's authorization.
- Employees are to abide by pricing and sales guidelines established by their business units. When selling products and services, or entering into other customer agreements, employees may not offer special customer discounts, credit, or favorable terms without written approval.

Privacy of Customer Communication and Information

Employees must maintain the privacy of customers' information and their voice and non-voice communications. Customers expect that Hawaiian Telcom will use their information only with integrity and for proper purposes.

Access to customer information is limited to authorized persons. Except where authorized by law, employees are not to allow others to tamper with or intrude upon communications using wiretaps or other methods, such as monitoring customer interaction calls to ensure service quality for customers or pursuant to a valid court order. Nor may employees tell unauthorized persons, including family members, about legal wiretaps, the purpose or location of network equipment, or any information about customers and their records.

Any request that involves privacy of communications must be referred immediately to Corporate Security. This includes any request from government and law enforcement agencies.

Proprietary Network Information

Federal law imposes restrictions on the use of Customer Proprietary Network Information (CPNI). CPNI is generally the information a telecommunications carrier obtains about a customer that relates to the quantity, technical configuration, type, destination, location and amount of use of a telecommunications service subscribed to by that customer. Employees will only share resources and CPNI among Hawaiian Telcom affiliates with respect to marketing, sales and telecommunications products and services when permitted by applicable laws, regulations, agreements with third parties and Company policies.

Government Customers

When dealing with public sector customers, employees are required to understand the special rules that may apply. These rules generally prohibit or put strict limits on gifts, entertainment and travel offered to government officials. They also often apply to the hiring of current or recently retired officials and their families and to any conduct that may be perceived as improperly influencing their objective decision making.

Employees may not give a government employee anything of value, including gifts, meals, entertainment, or travel, unless the government employee pays its fair market value, or unless they have determined in advance and in consultation with the Legal Department that an exception applies. U.S. government contractors and state and local governments often have similar restrictions concerning the acceptance of business amenities by their personnel. Employees are responsible for knowing and observing any restrictions adopted by customers with whom they deal.

Employees may not seek or obtain "source-selection information" or "contractor bid and proposal information" from government employees or employees of prime contractors in the course of a U.S. federal procurement. Doing so is a violation of the U.S. Procurement Integrity Act.

Situation #8: Is it appropriate if I help a friend or family member by giving them a customer's telephone number?. I know the customer won't mind.

Guidance: No. Your family or friends should obtain this information through directory assistance. If nonpublic, this information is only accessible to employees for business reasons. You should never use your job with Hawaiian Telcom to obtain information that isn't available to the public.

Situation #9: A general manager entertained a government employee in charge of issuing special permits to allow trucks in a restricted area. During the meeting, the general manager gave a DVD player to the government employee as a token business gift.

Guidance: That was a bribe. It was a violation of both the Code and the law.

COMPETITORS

General Policy

Hawaiian Telcom succeeds by competing aggressively and fairly in the marketplace in full compliance with applicable antitrust, competition and other laws. Dealings with competitors must be fair and respectful of the law.

Agreements

Employees may not make agreements, express or implied, with any competitor to set prices, limit output, divide territories or allocate customers for competing products or services. Employees may not discuss with a competitor any non-public or future price information, terms of sale, costs, margins, inventories, marketing plans or similar confidential information.

When representing Hawaiian Telcom in trade associations, standard setting bodies, consortia and other industry organizations, employees need to be aware of the risk that the participating companies may be perceived as using the meetings to reach anti-competitive agreements. Employees may not participate in groups engaging in activities that violate antitrust and competition laws.

Competitive Information

To be successful, Hawaiian Telcom must understand its competitors but not in violation of the law or at the expense of its reputation for fair dealing.

Employees must never use any illegal or unethical methods to gather competitive information. They shall not misrepresent themselves or offer compensation to gain proprietary information. Stealing competitive information that was obtained without the owner's consent or inducing such disclosures by former or present employees of other companies is prohibited. Employees may obtain competitive information only by fair and legal methods and through legitimate sources such as published specifications, trade journal articles, and other materials that a competitor has released to other companies without restrictions.

While it is almost always improper to exchange marketing or other business information with competitors, there are some very limited circumstances in which this can be done, such as properly structured benchmarking activities with appropriate safeguards. Employees must ask the Legal Department for advice before obtaining or exchanging marketing or other business information with a competitor.

Competitive Statements

Hawaiian Telcom competes based on the quality and value of its products and services, not by disparaging the competition. Statements about competitors need to be fair, factual and complete. Employees may not make false, misleading, unfair or unprofessional comments about competitors or others outside Hawaiian Telcom, even in messages, presentations and other materials intended for internal use at Hawaiian Telcom.

Antitrust Laws and Fair Competition

In general, the fair competition and antitrust laws of the United States prohibit agreements or, in some cases, actions by a single company or person that unduly limit competition in ways that hurt consumers. Hawaiian Telcom and all employees have a responsibility to ensure that business activities do not violate applicable antitrust and competition laws. A complete description of these laws is beyond the scope of this document, however they include: price fixing, bid rigging, allocation of markets and boycotting of certain suppliers or customers.

The potential for anti-competitive conduct can arise in various situations. These include proposals from competitors to share price or other competitive marketing information or to allocate markets or customers, and discussions of competitively sensitive topics, such as prices, pricing policies, costs and marketing strategies at industry trade association meetings. Employees shall avoid all such situations.

The application of antitrust laws can be complex and sometimes ambiguous. Violations can result in onerous investigations, significant fines, damage awards and criminal sanctions, including prison sentences. Any questions about what legal requirements may apply should be directed to the Legal Department.

Situation #10: The Marketing Group hired a person who formerly worked for a competitor. Since she is aware of proprietary and confidential information about her former employer, her manager asked her to share this information with him.

Guidance: Hawaiian Telcom policy prohibits disclosing proprietary, technical information and confidential business information about her former company. Even if it were accidentally disclosed, we cannot use the information. Hawaiian Telcom will treat proprietary and confidential information about other companies in the same way that we expect former Hawaiian Telcom employees to treat our confidential information after leaving.

Situation #11: You are a member of a trade association and understand that at an upcoming meeting some of the members want to discuss the viability of aligning prices.

Guidance: Avoid the meeting. Trade association members are also competitors, and antitrust laws and regulations may apply. Each member must be completely independent to set its own prices, production and sales levels, and to choose its markets, customers and suppliers. Members should have no agreements (oral, written, or even implied) that would restrict these independent decisions. If there is any question about an activity consult the Legal Department immediately.

BUSINESS PARTNERS

General Policy

Hawaiian Telcom conducts its business fairly, legally and with integrity. While working for the best interests of Hawaiian Telcom, employees have a duty to be ethical and lawful in dealings with customers, suppliers, and business partners, as well as Hawaiian Telcom fellow employees.

When buying products and services, employees have a duty to deal with suppliers fairly and in compliance with applicable laws and Hawaiian Telcom policies.

Choosing Suppliers

Purchasing decisions must be made based solely on Hawaiian Telcom's best interests. Hawaiian Telcom selects suppliers based on the merits of their products and service, product suitability, price, delivery, quality and business practices. Purchasing decisions should reflect best judgment about a supplier's technology, quality, responsiveness, delivery capabilities, cost, and financial stability. In selecting suppliers, employees need to avoid any appearance of impropriety that might result because of business gifts or entertainment from a supplier, or even strong personal relationships between the representatives of a supplier and representatives of Hawaiian Telcom.

Contracting

Employees are required to deal with suppliers and business partners in a professional and fair manner, to properly document all transactions, and to manage the relationships in accordance with the best interests of Hawaiian Telcom. Employees are required to document all supplier and business partner relationships in appropriate written contracts. These contracts should clearly identify the services or products to be provided, the basis for earning payment, and the applicable rate or fee. The amount of payment must be commensurate with the services or products provided.

Employees may not enter into any transactions or arrangements that assist a supplier or business partner in manipulating revenue or expense recognition. The existence and the terms of contracts between Hawaiian Telcom and the third party are considered confidential, and are not to be disclosed to any other party.

Business Gifts & Entertainment

From time to time, Hawaiian Telcom may provide business gifts and entertainment, or allow employees to accept business gifts and entertainment, to aid in building business relationships. Business gifts and entertainment include anything of value including meals, services, reimbursements, loans, gift certificates, prizes and tickets. These are just examples as the list is endless. Employees may give or accept gifts of nominal value (not to exceed \$100) that are commonly accepted as promotional items or tokens of appreciation and permitted by applicable law. Even for items of nominal value, employees should consider whether the frequency and timing of gifts may create any appearance of impropriety.

Business meals and entertainment should be infrequent, consistent with accepted business practice, not extravagant in nature and for the express purpose of furthering a business relationship. Whether providing or receiving a business meal or entertainment, a representative from each company must be present.

Travel

Employees shall not accept travel from any source outside Hawaiian Telcom or provide travel to representatives of Hawaiian Telcom customers, suppliers, business partners or competitors without written approval from a Vice President.

Anti-Corruption

No one acting on Hawaiian Telcom's behalf may use or accept bribes, kickbacks or other corrupt practices in conducting Hawaiian Telcom business. Employees are required to comply strictly with all ethical standards and applicable law.

Employees may make commission or fee arrangements only under written agreements with bona fide distributors, sales representatives, agents or consultants. Any commission or finder's fee for assistance in securing orders must be reasonable and consistent with local laws and normal industry practice. Employees may not enter into any fee arrangements with any entity in which a government official or employee has an interest, or with respect to sales to a government, unless permitted by law and with written approval from the Legal Department. Employees may not pay any commission or compensation to non-employees.

No commissions, fees or other compensation from Hawaiian Telcom may be paid in cash. All uses of Hawaiian Telcom funds and assets must be documented in compliance with Hawaiian Telcom accounting policies and guidelines.

Audits, Lawsuits, Legal Proceedings & Investigations

Employees are required to cooperate fully with all audits, lawsuits, legal proceedings and investigations as requested by the Company. Employees are expected also to cooperate with reasonable requests for information from government agencies and regulators and consult with the Legal Department before responding to any non-routine requests. All information provided must be truthful and accurate.

In the event of any threatened litigation or any threatened or foreseeable government investigation or proceeding, contact the Legal Department immediately.

Documents that initiate lawsuits or investigations, and subpoenas involving Hawaiian Telcom, should be sent immediately to the Legal Department.

- Records relevant to a lawsuit, legal proceeding or investigation must not be altered or destroyed, and must be promptly produced and turned over to the Legal Department upon request.
- If involved on Hawaiian Telcom's behalf in a lawsuit or other legal dispute, employees must avoid discussing it with anyone inside or outside of Hawaiian Telcom without prior approval of the Legal Department. Employees are required to cooperate fully with the Legal Department in the course of the lawsuit, legal proceeding or investigation.

Situation #12: A purchasing coordinator received a gold watch from a supplier who does a lot of business with the company. The purchasing coordinator and the supplier are friends. The purchasing coordinator graciously returned the watch, explaining that the company doesn't allow lavish gifts, and reported the incident to her supervisor.

Guidance: The purchasing coordinator did the right thing. She knew that the watch could influence her buying decisions—or that it might appear that way to others.

Situation #13: A sales associate played in a business-related golf tournament. He won the tournament, and accepted the prize—a Neighbor Island Cruise. He checked with his manager for approval.

Guidance: Because it was a legitimate test of skill or luck, and a large number of people participated in the tournament, keeping the prize was fine.

Situation #14: A facilities manager supervised a contractor doing renovation work at the Company. The contractor suggested that since he had extra time, he could do some work on the manager's home at a deep discount. The manager declined and reported the incident to her supervisor.

Guidance: The employee made the correct decision. She knew that this was a favor beyond common courtesy, available only because she had hired the contractor for a Company project.

ACCOUNTING AND FINANCIAL REPORTING

General Policy

Hawaiian Telcom is committed to financial reporting that is full, fair, accurate, understandable and widely distributed on a timely basis. This commitment entails adherence to both the words and intent of generally accepted accounting principles (GAAP) and to Hawaiian Telcom's system of internal controls. Hawaiian Telcom relies on accounting records to produce reports for the Board of Directors, management, creditors, governmental agencies and others. All Hawaiian Telcom accounting records, and reports produced from those records, are the private property of Hawaiian Telcom and must be kept and presented according to laws and Hawaiian Telcom policy. All actions and commitments must be in accordance with the Authorization Policy and delegations of authority.

Accounting, Disclosure and Reporting

Employees are responsible for the integrity of the information, records and reports under their control. Employees must ensure that no false or intentionally misleading entries are made in the Company's accounting records. All transactions must be supported by accurate documentation in reasonable detail, recorded in the proper account and in the proper accounting period. Employees are expected to demonstrate financial integrity in processing Travel and Expense Reports and other financial transactions.

Employees shall request, approve and make a payment only with the intention that such payment is used for purposes as described in the supporting documents. Employees shall not maintain cash or other assets in any unrecorded or “off-the-books” fund for any purpose.

If there are concerns or complaints regarding questionable accounting, auditing or other financial records, employees are expected to report those concerns to their supervisor, another manager, Human Resources Department, the Legal Department, Corporate Security, Internal Audit or the HT Ethics Hotline.

Outside Auditor

Hawaiian Telcom’s outside auditors have the duty to review Hawaiian Telcom records in a fair and accurate manner. Employees may not engage, directly or indirectly, any outside auditors of Hawaiian Telcom to perform any audit, audit-related, tax or other services, including consulting, without written approval from the Hawaiian Telcom Controller and the Audit Committee of the Hawaiian Telcom Board of Directors.

Employees will not take any action to fraudulently influence, coerce, manipulate or mislead any outside auditor or certified accountant engaged in performing an audit of Hawaiian Telcom’s financial statements, for the purpose of rendering such financial statements materially misleading. Employees will not make any false or misleading statements to an auditor in connection with any audit or examination of Hawaiian Telcom’s financial statements.

Situation #15: As the year was coming to a close, a manager realized that his business unit already had exceeded the profit target in its annual business plan. The manager asked Finance if he should hold any further income received that year off the books in order to get a head start on the next year.

Guidance: All income and expenses must be recorded in the period they are actually realized. The Finance department told the manager “don’t even think about it!”

Situation #16: A manager asked some suppliers to delay sending invoices until the following year for goods already received. She did this to stay within her annual budget. An employee knew of the request and that it was a Code violation.

Guidance: The employee who knows of the situation should report it to a supervisor, a Human Resources representative, the Legal Department, Corporate Security, Internal Audit or by contacting the HT Ethics Hotline as this situation is a violation of the Code.

COMPANY ASSETS

General Policy

Employees are expected to use Hawaiian Telcom assets only for legitimate business purposes and to protect them from loss or unauthorized use.

Personal Use of Company Resources

Hawaiian Telcom provides a wide variety of assets for its employees in conducting Company business, including intranet, internet, telephones, voice mail, cellular phones, personal digital assistants (PDA's), facsimiles, and telephone systems. Although employees may occasionally use some of these resources for incidental personal activities, it is their duty to keep this usage to a minimum and to comply with all Hawaiian Telcom policies as long as the use:

- Is truly occasional in nature;
- Is not related to any business other than Hawaiian Telcom's;
- Does not affect job performance;
- Does not interfere with the ability of others to perform their work;
- Does not interfere with Hawaiian Telcom's business use of such systems in any way;
- Does not result in any additional cost to Hawaiian Telcom;
- Does not access or transmit material containing derogatory racial, gender or religious comments, sexual content, abusive or offensive language, material which would negatively reflect upon Hawaiian Telcom or be likely to offend co-workers, or content prohibited by law.
- Using Company equipment for any for-profit outside business activity or solicitation, even if only occasionally, is never permitted.

Employees shall have no expectation of personal privacy in their use of Company resources. Hawaiian Telcom may access and inspect all Hawaiian Telcom resources that employees may use for personal activity, including computers, servers and systems, telephones, voicemail systems, email, desks, lockers, cabinets, vehicles and other equipment belonging to the Company. For reasons related to safety, supervision, security and other concerns, Hawaiian Telcom may inspect persons and property on Hawaiian Telcom premises at any time and without notice, subject to applicable local laws.

Intellectual Property

The intellectual property of Hawaiian Telcom must be protected from misuse and unauthorized disclosure. Examples of intellectual property include the Hawaiian Telcom name, logo, trademarks, service marks, copyrights, patents, software, ideas, inventions, discoveries, research plans and strategies.

Employees shall not privately protect or exploit intellectual property generated during the course of their employment. Such intellectual property is the exclusive property of Hawaiian Telcom. Employees may not duplicate, install or use software in violation of its copyright or applicable license terms, including the software installed on their computer or on network areas under their control. Employees must avoid the unauthorized use of copyrighted materials of others and should confer with the Legal Department if they have any questions regarding the permissibility of photocopying, electronically copying or otherwise using copyrighted materials.

Situation #17: Your boss occasionally uses his Company-issued computer to conduct personal business, selling and trading in baseball memorabilia.

Guidance: Using Company equipment for any for-profit outside business activity or solicitation, even if only occasionally, is never permitted and a violation of this Code.

Situation #18: You sometimes use Hawaiian Telcom's e-mail software to send personal messages to friends and family.

Guidance: Use of our computer networks, including e-mail, is primarily for business purposes. However, if your manager allows limited personal use and your usage conforms to Hawaiian Telcom's standards of behavior and does not interfere with the job performance of you or others, you may use e-mail software for personal messages. Remember, however, that Company e-mail is not private. The Company reserves the right to review email sent over our networks without notice to you. If your message is highly personal or confidential, you should not send it using Hawaiian Telcom's computer systems.

BUSINESS INFORMATION

General Policy

Hawaiian Telcom business information is Company property and is vital to its business success. Employees shall safeguard it, keep it confidential as appropriate, and use it only for Hawaiian Telcom business purposes.

Confidential Company Information

Employees shall retain in strictest confidence, and use solely for the benefit of Hawaiian Telcom, all proprietary and confidential information relating to Hawaiian Telcom which they acquire, directly or indirectly, in connection with their employment or association with the Company. Employees are responsible for safeguarding all proprietary and confidential information under their control. This includes taking steps to ensure documents are produced, handled and discarded in a manner that minimizes the risk that unauthorized persons might obtain access to them. Employees may disclose Hawaiian Telcom information only for a good business reason and with adequate safeguards.

Disclosure includes both verbal and written communication, including e-mail and the Internet. In particular, employees should not discuss proprietary or confidential information in public places or with spouses or friends.

Public Communication

Employees shall maintain as confidential all non-public information of Hawaiian Telcom, and refer all news media, securities analyst and investor inquiries to Corporate Communications. Employees should not provide responses unless specifically requested to do so by an appropriate Company representative.

Before publishing, making speeches, giving interviews or making public appearances that are connected to Hawaiian Telcom's business interests, employees shall get approval from their supervisor and the Director of Communications.

Insider Trading

U.S. securities laws make it illegal for those with "inside information" about a company to buy or sell the company's securities (e.g., stocks, bonds, options). These laws enforce one aspect of employees' general duty to not misuse Hawaiian Telcom information for personal gain. All employees and officers of the Company are prohibited from buying or selling Hawaiian Telcom securities or those of any other company, based on non-public information obtained in the course of their employment that a reasonable investor would want to know before deciding whether to buy, sell or hold such securities. Any questions concerning the propriety of participating in a transaction involving the securities of Hawaiian Telcom or any other company should be directed to the Legal Department.

Records Management

Hawaiian Telcom maintains records in accordance with Records Management Policy and the Records Retention Schedule consistent with Company business requirements, as well as federal, state and local law. The Records Management Policy governs the handling of Hawaiian Telcom documents, including email and other electronic files. The Records Retention Schedule sets forth the way employees should retain, protect and dispose of Company records.

Employees shall maintain the Company's records, including electronic files in accordance with the Policy and Retention Schedule. Employees are prohibited from destroying any records that are potentially relevant to a violation of law, any current pending or threatened litigation or any pending, threatened or foreseeable government investigation or proceeding.

Situation #19: An administrative assistant heard an office rumor that the Company was considering acquiring a small, publicly traded telecommunications company. She wondered if it was okay to acquire some of the stock of the telecommunications company and asked her manager.

Guidance: Don't buy the stock, the manager said, after seeking advice from the Legal Department. It's a violation of the Code and a violation of securities laws on insider trading. She didn't buy the stock.

Situation #20: A marketing manager was preparing a presentation on a new Company promotion. She was excited about the plan and wanted to discuss it with a friend outside the Company.

Guidance: Sharing nonpublic information is a Code violation, even if the recipient doesn't work for a competitor, customer or supplier.

Situation #21: A sales executive had a friend who wanted to borrow a list of Company e-mail addresses. The friend wanted to send e-mail solicitations for his business to Company employees.

Guidance: The sales executive knew that would be a misuse of Company assets. He explained that to his friend, and declined the request. That was the right thing to do.

GOVERNMENT

General Policy

Hawaiian Telcom encourages employees to exercise their right to participate in political activities. This decision to become involved in political activities is entirely personal and voluntary. Therefore, Hawaiian Telcom funds generally should not be used for contributions to any political party or candidate. However, the Company recognizes employees' rights and responsibilities to lobby on behalf of issues that affect the Company and business operations, but only in full compliance with the laws and regulations governing these activities.

Political Activities and Contributions

Employees have the right to participate voluntarily in the political process and do so as an individual, not as a representative of Hawaiian Telcom. Employees may not work on a political fundraiser or other campaign activity while at work or use Hawaiian Telcom property for these activities.

Federal law and the laws of certain states generally prohibit a corporation from making political contributions. This prohibition includes monetary contributions, “in-kind” contributions (e.g., the use of facilities for a fundraiser, purchase of tickets for receptions or dinners, advertisements in journals or payments for services) and gifts to officials. Generally, the Political Action Committee (PAC), which is funded by personal contributions made by Hawaiian Telcom employees, is the only permissible source for funding U.S. political contributions on matters important to Hawaiian Telcom.

Lobbying Activities

Hawaiian Telcom encourages employees to take an active interest in government processes. Any such participation, however, is to be undertaken as an individual – not as a representative of Hawaiian Telcom.

In general, employees should not engage in lobbying activity on behalf of Hawaiian Telcom. Any lobbying activity that is undertaken on behalf of the Company requires the prior approval of a Vice President or, in the case of local governments, the Vice President External Affairs.

Lobbying activity generally includes attempts to influence the passage or defeat of legislation, and it may trigger registration and reporting requirements. The U.S. government and many states extend the definition of lobbying activity to cover efforts to influence formal rulemaking by executive branch agencies or other official actions of agencies.

Compliance with the Law

Perceived pressures from management or demands due to business conditions are no excuse for violating the law. When employees have any questions or concerns about the legality of an action, they are responsible for checking with management or the Legal Department.

Situation #22: A manager strongly supports a candidate for office in the upcoming election and would like to hand out campaign literature.

Guidance: The manager may distribute such materials during non-work time in non-work areas. However, distribution of such materials during work time or in work areas is an unacceptable use of Company property and time and could create the mistaken impression that Hawaiian Telcom is endorsing a particular candidate.

HAWAIIAN TELCOM CODE OF BUSINESS CONDUCT

ACKNOWLEDGEMENT FORM

All Hawaiian Telcom employees are required to read and sign the statement below and return it to their immediate Supervisor.

This is to acknowledge that I have been informed of the Hawaiian Telcom Code of Business Conduct, which is posted on the Company's intranet, and that it is my responsibility to read and understand this Code. I am aware that it is my responsibility to ask for clarification of this Code. I am further aware that the Company may unilaterally change any of part of the Code at any time, without prior notice. Thus, I understand it is my responsibility to regularly seek and obtain current updates and interpretations of this Code from the Human Resources Department.

I further understand that I am to observe and follow all Company rules, policies and procedures presently existing and as may be amended by the Company. I also understand that my violation or failure to comply with any provision of the Code or any Company rule, policy or procedure can subject me to disciplinary action up to and including immediate termination. I further understand that nothing in the Code or the Company rules, policies and procedures, or any changes thereto, creates a contract of employment or alters the at-will nature of my employment relationship with the Company (recognizing that the at-will nature is subject to the terms of any applicable collective bargaining agreement or written employment agreement with the Company).

Employee Printed Name

Employee Signature

Date

Forward this signed form by Interdepartmental Mail to Corporate Security, HI A1