HAWAIIAN ELECTRIC INDUSTRIES INC
Form DEF 14A
March 28, 2018

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

SCHEDULE 14A

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

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

Hawaiian Electric Industries, Inc.

(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):

ý No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Filing Party:

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March 28, 2018

Dear Fellow Shareholder:

On behalf of the Board of Directors of Hawaiian Electric Industries, Inc. (HEI), it is my pleasure to invite you to attend the 2018 Annual Meeting of Shareholders (2018 Annual Meeting) of HEI. The meeting will be held on Thursday, May 10, 2018, at 10:00 a.m., Hawaii time at HEI's premises in Room 805 on the eighth floor of the American Savings Bank Tower, located at 1001 Bishop Street, Honolulu, Hawaii 96813. A map showing the location of the meeting site appears on the last page of the enclosed Proxy Statement.

The Notice of Annual Meeting of Shareholders and Proxy Statement that accompany this letter describe the business to be conducted during the 2018 Annual Meeting.

Your vote is very important. Whether or not you attend the meeting in person, and no matter how many shares you own, it is important that your views be represented. **Please vote by signing and returning your proxy card or by using telephone or internet voting. Instructions on how to vote are on pages 66-67 of the Proxy Statement.**

The Board of Directors and management team of HEI would like to express our appreciation to you for your confidence and support. I look forward to seeing you at the 2018 Annual Meeting in Honolulu.

Sincerely,

Constance H. Lau
President and Chief Executive Officer

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NOTICE OF 2018 ANNUAL MEETING OF SHAREHOLDERS

Hawaiian Electric Industries, Inc.
1001 Bishop Street, Suite 2900
Honolulu, Hawaii 96813

When:	Thursday, May 10, 2018, at 10:00 a.m., Hawaii Time.
Where:	American Savings Bank Tower, 1001 Bishop Street, 8th Floor, Room 805, Honolulu, Hawaii 96813
Items of Business:	**Proposal 1** Election of three Class I directors to serve for a three-year term expiring at the 2021 Annual Meeting of Shareholders **Proposal 2** Advisory vote to approve compensation for HEI's named executive officers **Proposal 3** Ratification of the appointment of Deloitte & Touche LLP as HEI's independent registered public accountant for 2018 **To transact such other business as may properly come before the 2018 Annual Meeting.**
Record Date:	March 6, 2018
Annual Report:	The 2017 Annual Report to Shareholders, which is not part of the proxy solicitation materials, has been mailed or made available electronically to shareholders, along with this Notice of 2018 Annual Meeting of Shareholders and accompanying Proxy Statement.
Who Can Attend:	Only shareholders of record as of the record date are entitled to receive notice of, attend and vote at the 2018 Annual Meeting. To attend, you must bring government-issued photo identification. If your shares are held in street name, you must also bring evidence of ownership on the record date (such as a brokerage account statement). If you represent an entity that is a shareholder, you will also need proof of authority for representation.
Date of Mailing:	On or about March 28, 2018, these proxy materials and annual report are being mailed or made available to shareholders.

How To Vote Your Shares

Your vote is important. Please vote as soon as possible by one of the methods shown below. Make sure to have your proxy card, voting instruction form, or notice of Internet availability in hand and follow the instructions. Shareholders of record may appoint proxies and vote their shares in one of four ways:

By Telephone: You can vote your shares by calling 1-888-693-8683

By Internet: You can vote your shares online at www.cesvote.com.

By Mail: You can vote by mail by marking, dating, and signing your proxy card or voting instruction

form and returning it in the postage-paid envelope.

In Person: Attend our annual meeting and vote by ballot.

Shareholders whose shares are held by a bank, broker or other financial intermediary (i.e., in "street name") should follow the voting instruction card provided by such intermediary.

Any proxy may be revoked in the manner described on page 68 in the accompanying Proxy Statement.

It is important that you vote your shares. To ensure that your shares are voted, please follow the instructions on the proxy card to either complete and return the proxy card or vote by telephone or over the internet. Mailing your proxy card or voting by telephone or over the internet does not preclude you from changing your vote in person at the 2018 Annual Meeting of Shareholders (the 2018 Annual Meeting).

Important Notice Regarding the Internet Availability of Proxy Materials for the 2018 Annual Meeting of Shareholders to be held on May 10, 2018

The accompanying Proxy Statement, 2017 Annual Report to Shareholders and 2017 Annual Report on Form 10-K are available at http://www.hei.com

By Order of the HEI Board of Directors,

Kurt K. Murao
Vice President Legal & Administration and
Corporate Secretary

March 28, 2018

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PROXY SUMMARY

This summary contains highlights about our Company and the upcoming 2018 Annual Meeting of Shareholders. This summary does not contain all of the information that you should consider. Please read the entire Proxy Statement carefully prior to voting.

VOTING MATTERS

1. Election of Three Class I Directors	FOR Each Nominee	1
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ELECTION OF DIRECTORS

The following table provides summary information about the nominees for election to the Board of Directors (Board) three Class I Directors of Hawaiian Electric Industries, Inc. (HEI or the Company). Additional information about all directors, including the nominees, may be found beginning on page 2.

Class I Directors					
Richard J. Dahl	66	2017	Chairman, James Campbell Co., LLC	AC	2
Constance H. Lau	66	2006	President & Chief Executive Officer, HEI	EC	1
James K. Scott, Ed.D.	66	1995	President, Punahou School	NCGC	

AC - Audit Committee
EC - Executive Committee
NCGC - Nominating and Corporate Governance Committee

GOVERNANCE HIGHLIGHTS

HEI's governance is guided by the principle that shareholder value for our Company is linked to the value we bring to the customers and communities we serve. Highlights of our governance include:

Independent Chairman of the Board	**YES**
Number of Independent Directors	**8 of 9**
Percentage of Directors who are women or from diverse ethnic backgrounds	**65%***
All Audit, Compensation and Nominating & Corporate Governance Committee members are independent	**YES**
Executive session of independent directors held at each Board meeting	**YES**
All directors attended at least 90% of meetings of the Board and Board committees on which they served in 2017	**YES**
Policy limitation on membership on other public company boards	**YES**
Annual Board and committee self-evaluations and periodic director self and peer review	**YES**
Directors required to submit resignation for Board consideration upon the end of their term after reaching age 75 or in event of a significant change in their employment	**YES**
Share ownership and retention requirements for directors and executives	**YES**

* *see pages 12-13*

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SHAREHOLDER INTERESTS

In an uncontested director election, a director who is elected but does not receive the support of a majority of votes cast must submit his or her resignation for Board consideration

No shareholder rights plan

Input from shareholder outreach incorporated in executive compensation program

Prohibition on hedging and pledging of HEI stock

2017 BUSINESS HIGHLIGHTS

FINANCIAL RESULTS

2017	$165M (179)	$1.52 (1.65)	7.9% (8.6%)
2016	$248M (190)	$2.29 (1.75)	12.4% (9.5%)
2015	$160M (176)	$1.50 (1.65)	8.6% (9.4%)

1 Numbers in parentheses are non-GAAP measures, which exclude tax reform and related adjustments for 2017, and after-tax merger and spin-off related expenses and income for 2016 and expenses for 2015. See Exhibit A for a reconciliation of GAAP to non-GAAP measures.

2017	13.4	21.8	11.7	1.8
3-year	21.3	38.3	26.1	49.8
5-year	77.2	108.1	83.7	125.3
10-year	156.6	126.0	97.5	84.8

Source: S&P Global Inc.

BUSINESS ACCOMPLISHMENTS

HEI continues to move forward as an independent consolidated enterprise following the termination in 2016 of a proposed merger involving our utility and companion spin off of our bank. In 2017 we expanded our family of companies to include Pacific Current, a newly established subsidiary company of HEI. Pacific Current is part of HEI's strategy to develop and invest in opportunities that serve as catalysts for a better Hawaii.

In 2017, our utilities, Hawaiian Electric Company (Hawaiian Electric), Maui Electric Company (Maui Electric) and Hawaii Electric Light Company (Hawaii Electric Light), continued to work toward Hawaii's goal of 100% renewable energy by 2045. The Hawaii Public Utilities Commission accepted our proposed near-term actions under our Power Supply Improvement Plan, the roadmap to achieving that goal, and approved our grid modernization strategy, which sets forth a framework for using the latest technology to build more resilient and renewable-ready island grids. In 2017, nearly 27% of the electricity on our grids came from renewable sources. Hawaii Island led the state at 57%, with Maui County and Oahu reaching 34% and 21%, respectively. We introduced new customer programs for private rooftop solar and battery storage and new tools to make it easier for customers to apply to connect their systems to the grid. Our regulators approved the Community Based Renewable Energy program to allow more customers, such as renters, condo owners and small businesses, to benefit from renewable energy. Our transformation is entering its next phase with several key initiatives underway in 2018, including a strategic plan for electrification of transportation and creation of new departments to promote our products and services, develop new offerings to provide greater value and convenience to customers and leverage existing assets to help build a "smart communities" network, driving new business and improving public services.

Our bank, American Savings Bank, F.S.B. (ASB), achieved an important objective in its effort to improve efficiency and strengthen teammate engagement with the successful ground breaking for its new 166,000-square-foot headquarters in Honolulu. The new headquarters will bring together over 600 employees from five locations at one of the most innovative, collaborative and modern worksites in the State. Once it's completed in late 2018 it is expected to provide a significant boost to the bank's already excellent workplace culture for which it continues to receive recognition, including being named one of Hawaii Business Magazine's "Best Places to Work" for the 9th consecutive year. Leveraging the strength of its company culture and its focus on providing an excellent customer experience, the bank continues to improve financial performance. In 2017, solid deposit growth and improved asset quality continued to fuel the bank's broad profitability improvement with strong results in net income of $67.0 million and return on assets of 1.02%.

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EXECUTIVE COMPENSATION HIGHLIGHTS PAYING FOR PERFORMANCE

The compensation program for our named executive officers is comprised of four primary elements base salary, performance-based annual and long-term incentives, and restricted stock units vesting in equal annual installments over four years. We emphasize variable pay over fixed pay, with the majority of the total compensation opportunity at target for each named executive officer linked to the Company's financial, market and operational results. The compensation program also balances the importance of achieving long-term strategic priorities and critical short-term goals linked to long-term objectives.

2017 Named Executive Officer (NEO) Pay Opportunity

Variable Over Fixed Pay Opportunity at Target

Balance of Short- and Long-Term Pay Opportunity at Target

VARIABLE PAY REFLECTS PERFORMANCE

Under our pay-for-performance design, incentive payouts to named executive officers are aligned with results. The following graphs show the performance-based payouts to the HEI Chief Executive Officer (CEO) for net income and for total shareholder return (TSR) relative to the Edison Electric Institute (EEI) Index (Relative TSR). HEI CEO annual incentive pay is linked to HEI's adjusted annual net income, as well as subsidiary performance. Long-term incentive pay over the respective three-year periods tracked our Relative TSR results.

Annual Net Income and CEO Performance-Based Annual Incentive Payouts

3-year Relative TSR Results and Performance-Based Long-Term Incentive Payouts

SUMMARY COMPENSATION TABLE

Due to the NextEra Energy merger that was pending at the time the 2015-17 and 2016-18 long-term incentive plans (LTIPs) were established, these LTIPs were denominated in cash rather than in stock. This is because the Compensation Committee had determined that while the merger was pending, HEI's stock price might be affected at least in part by merger considerations that were unrelated to HEI's true operating performance and that, as a result, the compensatory goals of the LTIP would be better served without such merger impact. Since the merger agreement between HEI and NextEra Energy was terminated in July 2016, HEI returned to exclusively equity-based LTIPs in 2017, which impacts the comparative compensation amounts disclosed in the 2017 Summary Compensation Table (SCT). Although our LTIP programs and practices have not changed (i.e., one 3-year LTIP is granted each year), due to the disclosure timing differences between cash-based and equity-based LTIPs, the reported compensation amounts in the Summary Compensation Table for 2017 are notably higher than, and not

comparable to, the reported amounts for 2015 and 2016, and are not reflective of the target compensation provided to our NEOs for 2017. *Due to SEC disclosure rules, the 2017 compensation amounts in the SCT include both the 2015-2017 LTIP cash payouts and the 2017-2019 equity-based LTIP. By contrast, the 2015 and 2016 compensation amounts in the SCT do not include any LTIP amounts.* Please see page 47 under "Summary Compensation Table".

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COMPENSATION COMMITTEE DECISION-MAKING

The Compensation Committee, all of whose members are independent directors, establishes pay programs and reviews performance results to ensure that executive officer compensation aligns with shareholder interests. In addition, the Compensation Committee is advised by an independent compensation consultant with respect to the design of the plans, performance results and reasonableness of pay decisions.

The Compensation Committee believes that executive officer compensation reflects favorably on the Company's pay-for-performance objective, is aligned with shareholder interests and compares well relative to the Company's peers.

OUR EXECUTIVE COMPENSATION PROGRAM INCORPORATES BEST PRACTICES:

- Majority of target compensation opportunity tied to performance
- Rigorous performance goals are aligned with business strategy
- Stock ownership and retention requirements apply to named executive officers
- Clawback policy for performance-based pay
- "Double trigger" change-in-control agreements
- No tax gross ups (except for executive death benefit frozen in 2009)
- No employment contracts
- Minimal perquisites
- Prohibition against hedging and pledging of HEI stock
- No dividends or dividend equivalents paid on unearned performance shares

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PROPOSAL NO. 1: ELECTION OF THREE CLASS I DIRECTORS

In accordance with HEI's Bylaws, the Board has fixed the size of the Board at nine directors, divided equally into three classes with staggered terms. The Board proposes that the following nominees be elected at the 2018 Annual Meeting:

Class I directors to serve until the 2021 Annual Meeting of Shareholders, or until his or her respective successor shall be duly elected and qualified:

Richard J. Dahl
Constance H. Lau
James K. Scott, Ed.D.

Mr. Dahl, Ms. Lau and Dr. Scott are all incumbent Class I directors of HEI. The Board has determined that Mr. Dahl and Dr. Scott are independent under the applicable standards for director independence, as discussed below under "Board of Directors Independent Directors." Ms. Lau currently serves as the President and Chief Executive Officer of HEI and is therefore not independent. Each nominee has consented to serve for the new three-year term expiring at the 2021 Annual Meeting if elected. If a nominee is unable to stand for election at the time of the 2018 Annual Meeting, the proxy holders listed in the proxy card may vote in their discretion for a suitable substitute.

Information regarding the business experience and certain other directorships for each Class I director nominee and for each continuing Class II and III director, is provided on pages 2-8 below, together with a description of the experience, qualifications, attributes and skills that led to the Board's conclusion at the time of this Proxy Statement that each of the nominees and directors should serve on the Board in light of HEI's current business and structure.

ü **FOR**

The Board recommends that you vote FOR each nominee listed above to serve as a Class I Director.

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CLASS I DIRECTOR NOMINEES FOR ELECTION

Nominees for Class I Directors whose terms expire at the 2021 Annual Meeting of Shareholders

Richard J. Dahl

Director since 2017
Age 66
Audit Committee Member

Mr. Dahl adds to the Board a wealth of experience in leadership, strategy, audit and risk-management and board governance. The perspective he brings to the Board is informed by his experiences working in Hawaii and on the U.S. mainland, as a senior executive for several private and publicly traded companies, and as a public company director and audit committee chair. In addition, his management experience in banking and board service in the electric utility industry further deepen the Board's knowledge of the two industries in which HEI operates.

Professional Experience

Non-executive Chairman since March 2017, DineEquity, Inc.(NYSE: DIN), Lead Independent Director 2010-17, Interim CEO 3/2017 to 9/2017, Audit Committee member and former Audit Committee chair, director since 2004.

Non-executive Chairman since 2017, James Campbell Company LLC (privately held real estate investment and development company), Chairman, President and CEO 2010-16.

Director and Audit Committee Member, Hawaiian Electric (HEI subsidiary), since 2017

Director since 2008, Audit Committee Chair and Executive Committee Member, IDACORP, Inc. (NYSE: IDA)/Idaho Power Company

Non-executive Chairman, International Rectifier Corporation, 2008-15

Relevant Skills & Qualifications

Broad leadership and strategic and operational management experience from serving as a senior executive for private and publicly traded companies, including as Chairman, President and CEO of James Campbell Company, LLC, President, Chief Operating Officer and Director of Dole Food Company, Inc. and President, Chief Operating Officer and Director of Bank of Hawaii Corporation.

In-depth understanding of the two industries in which HEI operates from his senior executive roles at Bank of Hawaii Corporation and his current service as a director of IDACORP, Inc. and its principal subsidiary, Idaho Power Company.

Audit, risk management and financial expertise from his chairmanship of the IDACORP, Inc. audit committee, prior chairmanship of the DineEquity, Inc. audit committee, previous work experience with accounting firm Ernst & Young, and prior licensure as a Certified Public Accountant and Certified Bank Auditor.

Substantial governance and board leadership experience from his public company board service, including his prior role as Lead Independent Director of DineEquity, Inc. and through leading the International Rectifier, Inc. board through a successful corporate turnaround.

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Constance H. Lau

Director 2001-04 and since 2006
Age 66
Executive Committee Member

As HEI's President and CEO since 2006, Ms. Lau has extensive senior management experience and thorough knowledge of the Company's operations. Prior to becoming CEO, Ms. Lau served in leadership capacities spanning several functions across HEI and its subsidiaries. Over her more than 30 years of service with the Company, Ms. Lau has acquired significant expertise with respect to the utility and banking industries. Further, having been exposed to virtually all aspects of HEI's operations, Ms. Lau brings a unique and comprehensive perspective to the Board. Ms. Lau's expertise and leadership have been recognized nationally, leading her to be named chair of the National Infrastructure Advisory Council, and to serve on the boards of leading national utility industry organizations. As a result, Ms. Lau brings to the Board a national perspective, as well as valuable insights regarding physical and cyber infrastructure security.

Professional Experience

President and CEO and Director, HEI, since 2006

Chairman of the Board, Hawaiian Electric (HEI subsidiary), since 2006

Director, ASB Hawaii (HEI subsidiary), since 2006

Chairman of the Board since 2006, Risk Committee Member since 2012 and Director since 1999, ASB (HEI subsidiary)

CEO 2001-10, President 2001-08 and Senior Executive Vice President and Chief Operating Officer 1999-2001, ASB

Financial Vice President and Treasurer 1997-99, HEI Power Corp. (former HEI subsidiary)

Treasurer 1989-99 and Assistant Treasurer 1987-89, HEI

Treasurer 1987-89 and Assistant Corporate Counsel 1984-87, Hawaiian Electric

Director, Audit Committee Chair and Nominating and Corporate Governance Committee Member, Matson, Inc.(NYSE: MATX), since 2012

Director and Audit Committee Member, Alexander & Baldwin, Inc., 2004-12

Relevant Skills & Qualifications

Intimate understanding of the Company from serving in various chief executive, chief operating and other executive, finance and legal positions at HEI and its subsidiaries for more than 30 years.

Corporate governance experience from her service as a director, Audit Committee Chair and Nominating and Corporate Governance Committee member for Matson, Inc., as a former director of Alexander & Baldwin, Inc. and as a director and Underwriting Committee Chair of AEGIS Insurance Services, Inc.

Experience with financial oversight and expansive knowledge of the local communities that comprise the Company's customer bases from serving as a director for various local industry, business development, educational and nonprofit organizations.

Utility and banking industry knowledge from her current or prior service as a director or task force member of the Hawaii Bankers Association, the American Bankers Association, the Edison Electric Institute and the Electric Power Research Institute and as a member of the federal Electricity Subsector Coordinating Council.

Nationally recognized leader in the fields of critical infrastructure, resilience and physical and cyber security, banking and energy, demonstrated by her chairmanship of the National Infrastructure Advisory Council, membership on the federal Electricity Subsector Coordinating Council, her prior service on the Federal Reserve Board of San Francisco's 12th District Community Depository Institutions Advisory Council, and her being named as a C3E Clean Energy Ambassador by the U.S. Department of Energy.

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James K. Scott, Ed.D.

Director since 1995
Age 66
Nominating and Corporate Governance Committee Member

Dr. Scott has considerable management experience as an executive leader in Hawaii. While Dr. Scott has earned the reputation of being one of the nation's leading education administrators, his unique value to the Company derives from his extensive knowledge, contacts and relationships within Hawaii's business community, nonprofit community and local governmental agencies. Dr. Scott's participation on the Board has contributed significantly to the Board's understanding of Hawaii's unique cultural and business environment. With the success under his leadership of one of the country's most prominent college preparatory schools, and because of his commitment to a wide array of charitable and civic causes, Dr. Scott is a well-respected leader in the state of Hawaii and nationally.

Professional Experience

President, Punahou School (K-12 independent school), since 1994

Director, ASB (HEI subsidiary), since 2008

HEI Audit Committee member, 1997-2011

Relevant Skills & Qualifications

Recognized leadership and executive management skills as President of Punahou School.

More than three decades of experience developing and executing strategic plans as the chief executive of two independent schools, including overseeing fundraising programs and admissions/marketing and finance functions.

Keen understanding of Hawaii's communities and governance and board leadership experience from his current positions as director and former Chair of the Hawaii Association of Independent Schools, trustee of the Barstow Foundation, member of the Advisory Board of the Klingenstein Center of Teachers College at Columbia University and trustee of the National Association of Independent Schools.

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Continuing Class II Directors whose terms expire at the 2019 Annual Meeting of Shareholders

Thomas B. Fargo

Director since 2005
Age 69
Compensation Committee Chair
Nominating and Corporate Governance Committee Member

Admiral Fargo brings invaluable leadership skills to the Board. Admiral Fargo's experience leading complex organizations, both in Hawaii and on the U.S. mainland, provides the Board with significant management expertise. He has extensive knowledge of the U.S. military (a major customer of HEI's utility subsidiary and a key driver of Hawaii's economy) having served as Commander of the U.S. Pacific Command from 2002-05. Admiral Fargo's leadership, strategic planning and risk assessment skills have proven to be a valuable resource to management and other Board members.

Relevant Professional Experience

Chairman of the Board and Governance Committee Member, Huntington Ingalls Industries (military shipbuilder) (NYSE: HII), since 2011

Owner, Fargo Associates, LLC (defense and homeland/national security consultancy), since 2005

Director and Compensation and Nominating and Corporate Governance Committee member since 2015, Compensation Committee Chair, since 2016, The Greenbrier Companies (NYSE: GBX)

Director and Audit Committee Member, Matson, Inc. (NYSE: MATX), since 2012

Director, Alexander & Baldwin, Inc., 2011-12

Director, Northrop Grumman Corporation (NYSE: NOC), 2008-11

Director, Hawaiian Electric (HEI subsidiary), 2005-16

Relevant Skills & Qualifications

Extensive knowledge of the U.S. military, a major customer of HEI's electric utility subsidiary and a key driver of Hawaii's economy.

Leadership, strategic planning and financial and nonfinancial risk assessment skills developed over 40 years of leading 9 organizations ranging in size from 130 to 300,000 people and managing budgets up to $8 billion.

Experience with corporate governance, including audit, compensation and governance committees, from service on several private and publicly traded company boards, including as chairman of Huntington Ingalls Industries.

Kelvin H. Taketa

Director since 1993
Age 63
Nominating and Corporate Governance Committee Chair

Mr. Taketa has considerable management experience as an executive leader in Hawaii. Mr. Taketa is one of Hawaii's leading nonprofit administrators and has extensive relationships within Hawaii's business and nonprofit communities. He has contributed significantly to the Board's understanding of Hawaii's distinctive cultural and business environment. Additionally, Mr. Taketa brings the unique ability to build bridges and connect people and organizations, which has made him a well-respected leader throughout the state of Hawaii.

Professional Experience

Senior Fellow, Hawaii Community Foundation (statewide charitable foundation), since July 2017

CEO, Hawaii Community Foundation, 2016-2017

President and CEO, Hawaii Community Foundation, 1998-2015

Director, Hawaiian Electric (HEI subsidiary), since 2004

Relevant Skills & Qualifications

Executive management experience with responsibility for overseeing more than $500 million in charitable assets through his leadership of the Hawaii Community Foundation.

Proficiency in risk assessment, strategic planning and organizational leadership as well as marketing and public relations from his current position at the Hawaii Community Foundation and his prior experience as Vice President and Executive Director of the Asia/Pacific Region for The Nature Conservancy and as

Founder, Managing Partner and Director of Sunrise Capital Inc.

Knowledge of corporate and nonprofit governance issues gained from his prior service as a director for Grove Farm Company, Inc. and the Independent Sector, his current service on the boards of Feeding America, the Stupski Foundation and the Hawaii Leadership Forum, and through publishing articles and lecturing on governance of tax-exempt organizations.

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Jeffrey N. Watanabe

Director since 1987
Age 75
Chairman of the Board since 2006
Executive Committee Chair
Compensation Committee Member

Mr. Watanabe has been one of the most influential figures in Hawaii's business community over the past four decades. His strategic counsel is widely sought by Hawaii's business, political and nonprofit leaders, as well as by global businesses seeking to do business in Hawaii. As Chairman since 2006, Mr. Watanabe has successfully led HEI through his strategic vision, willingness to make tough decisions and strong consensus-building skills.

Professional Experience

Lead Director, Nominating and Corporate Governance Committee Chair and Compensation Committee Member, Matson, Inc. (NYSE: MATX), since 2012

Director since 1988 and Executive and Risk Committee Member, ASB (HEI subsidiary)

Lead Independent Director, 2012-15, and director 2003-15, Alexander & Baldwin, Inc. (A&B)

Director, Hawaiian Electric (HEI subsidiary), 1999-2006, 2008-11 and since 2016

Relevant Skills & Qualifications

Broad business, legal, corporate governance and leadership experience from serving as Managing Partner of the law firm (Watanabe Ing & Komeiji LLP) he helped found in 1972 until his retirement in 2007, advising clients on a variety of business and legal matters for 35 years and from serving on more than a dozen public and private company and nonprofit boards and committees, including his current service on the Matson Nominating and Corporate Governance and Compensation Committees and past service on the A&B Nominating & Corporate Governance Committee.

Specific experience with strategic planning from providing strategic counsel to local business clients and prospective investors from the continental United States and the Asia Pacific region for 25 years of his law practice.

Recognized by a number of organizations for his accomplishments, including by the Financial Times-Outstanding Directors Exchange, which selected him as a 2013 Outstanding Director.

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Continuing Class III Directors whose terms expire at the 2020 Annual Meeting of Shareholders

Peggy Y. Fowler

Director since 2011
Age 66
Compensation Committee Member

Ms. Fowler brings a combination of utility and banking knowledge and experience to HEI. Ms. Fowler's prior position as chief executive officer of a NYSE-listed public utility company imparts significant leadership and management expertise to the Board. Additionally, Ms. Fowler's more recent experience leading the board of a publicly traded bank holding company strengthens the Board's capabilities in overseeing HEI's bank subsidiary.

Professional Experience

Co-CEO, Portland General Electric Company (PGE) (NYSE: POR), 2009

President and CEO, PGE, 2000-08

Lead Independent Director since 2017, Chairman of the Board 2012-16, Chair of the Risk and Governance and Executive Committees and director since 2009, Umpqua Holdings Corp. (publicly traded bank holding company) (NASDAQ: UMPQ)

Director and Audit Committee Member, Hawaiian Electric (HEI subsidiary), 2009-16

Director, PGE, 1998-2012

Relevant Skills & Qualifications

36 years of executive leadership, financial oversight and utility operations experience from serving at PGE in senior officer positions, including Chief Operating Officer, President and CEO.

Environmental and renewable energy expertise from managing PGE's environmental department, overseeing initiatives that improved fish passage on multiple Oregon rivers, supervising the construction and integration

into PGE's grid of wind and solar projects, and leading PGE to be ranked #1 by the National Renewable Energy Laboratory for selling more renewable power to residential customers than any other utility in the U.S. for several years during her tenure as PGE's CEO.

Proven management, leadership and analytical skills, including crisis management, risk assessment, strategic planning and public relations skills.

Expertise in financial oversight, regulatory compliance and corporate governance gained from serving as President (1997-2000), CEO (2000-08) and Chair (2001-04) of PGE, as a past director for the Portland Branch of the Federal Reserve Bank of San Francisco, and as a director and committee member for several private and public companies, including Umpqua Holdings Corporation, where she previously served as Chairman and currently serves as Lead Independent Director, and Cambia Health Solutions, a not-for-profit BlueCross BlueShield health insurer, where she chairs the investment committee and serves on the audit, governance and executive committees.

Keith P. Russell

Director since 2011
Age 72
Audit Committee Member

Mr. Russell has extensive senior management experience in the banking industry. Mr. Russell's many years of executive leadership experience in managing and overseeing bank operations contribute invaluable expertise to the Board. In addition, his prior service as chief risk officer of a large financial institution significantly strengthens the Board's capabilities in overseeing and managing risk within the organization. Mr. Russell's knowledge and experience from his prior service as an officer of a major lender to the electric utility industry strengthens the Board's oversight of HEI's utility operations.

Professional Experience

President, Russell Financial, Inc. (strategic and financial consulting firm), since 2001

Vice Chair/Chief Risk Officer, Mellon Financial Corp., then Chairman, Mellon West, 1991-2001

Senior Executive Vice President, then Director, President and Chief Operating Officer, GLENFED/Glendale Federal Bank, 1983-91

Director, ASB Hawaii (HEI subsidiary), 2014-16

Director and Audit Committee Member since 2010 and Risk Committee Chair since 2012, ASB (HEI subsidiary)

Director since 2004, Audit Committee Chair since 2011 and Nominating Committee Member 2003-11 and since 2015, Sunstone Hotel Investors (NYSE: SHO)

Director, Nationwide Health Properties (NYSE: NHP), 2002-11

Director, Audit Committee Chair and Conflicts Committee Member, KBS Growth and Income REIT, since 2016

Relevant Skills & Qualifications

Ten years of executive leadership, financial oversight, risk management and strategic planning experience from serving as Vice Chairman/Chief Risk Officer for Mellon Financial Corporation and Chairman of Mellon's West Coast operations. Mellon was a major lender and capital provider to the electric utility industry.

Eight years of executive and corporate governance experience from serving as Director, President and Chief Operating Officer of GLENFED/Glendale Federal Bank.

Nine years of banking industry experience serving as Senior Vice President and Deputy Administrator for Security Pacific National Bank, with direct responsibility for a wide breadth of operations, including leasing, consumer and commercial finance, mortgage banking, venture capital, cash management and trust business.

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Barry K. Taniguchi

Director since 2004
Age 70
Audit Committee Chair
Executive Committee Member

Mr. Taniguchi brings to the Board considerable experience as a proven business leader in Hawaii, with extensive knowledge of the business climate and significant contacts and relationships within the business community and local governmental agencies. With the successes of his own businesses, and because of his commitment to a wide array of charitable causes, Mr. Taniguchi is one of the most well-respected businesspersons in Hawaii.

Professional Experience

Chairman and CEO since 2014 and President and CEO 1989-2014, KTA Super Stores (largest grocery store chain on island of Hawaii)

President and Director, K. Taniguchi Ltd. (real estate lessor), since 1989

Director, ASB Hawaii (HEI subsidiary), 2015-16

Director since 2002 and Audit Committee Chair, ASB (HEI subsidiary)

Director, 2001-11 and Audit Committee Chair, Hawaiian Electric (HEI subsidiary)

Director, Maui Electric Company, Limited (Hawaiian Electric subsidiary), 2006-09

Director, Hawaii Electric Light Company, Inc. (Hawaiian Electric subsidiary), 1997-2009

Relevant Skills & Qualifications

Current knowledge of and experience with the business community on the island of Hawaii, which is served by one of HEI's utility subsidiaries, Hawaii Electric Light Company, Inc., from his chief executive roles for the last 28 years.

Accounting and auditing knowledge and experience gained from obtaining a public accounting certification and from his prior work as an auditor and as a controller.

Extensive corporate and nonprofit board and leadership experience, including service as a director and former chair of the Hawaii Island Economic Development Board, and from having served as a director of Hawaii Community Foundation and as a former director and chair of both the Hawaii Island Chamber of Commerce and the Chamber of Commerce of Hawaii.

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CORPORATE GOVERNANCE

HEI's governance policies and guidelines

HEI's Board and management review and monitor corporate governance trends and best practices on an ongoing basis, including for purposes of reviewing HEI's corporate governance documents and complying with the corporate governance requirements of the New York Stock Exchange (NYSE), rules and regulations of the Securities and Exchange Commission (SEC) and rules and regulations of the Board of Governors of the Federal Reserve (Federal Reserve) applicable to HEI as a savings and loan holding company. HEI's corporate governance documents (such as the charters for the Audit, Compensation, Nominating and Corporate Governance and Executive Committees, Corporate Governance Guidelines and Corporate Code of Conduct, as well as other governance documents) are available on HEI's website at *www.hei.com/govdocs*.

The Board's leadership structure

Since 2006, Mr. Watanabe has served as the nonexecutive Chairman of the Board and Ms. Lau has served as HEI's President and CEO. Since that time, Ms. Lau has also been the only employee director on the Board.

Mr. Watanabe has served on the Board since 1987, and has never been employed by HEI or any HEI subsidiary. The Board has determined that he is independent. Among the many skills and qualifications that Mr. Watanabe brings to the Board, the Board considered: (i) his extensive experience in corporate and nonprofit governance from serving on other public company, private company and nonprofit boards; (ii) his reputation for effective consensus and relationship building and business and community leadership, including leadership of his former law firm; (iii) his willingness to spend time advising and mentoring members of HEI's senior management; and (iv) his dedication to committing the hard work and time necessary to successfully lead the Board.

As HEI's Chairman, Mr. Watanabe's key responsibilities are to:

- lead Board and shareholder meetings and executive sessions of the independent directors, including executive sessions at which the performance of the CEO is evaluated by the Board;
- attend all meetings of the Audit and Nominating and Corporate Governance Committees of the Board as an observer and the Executive Committee of the Board as its chair. Mr. Watanabe also currently attends meetings of the Compensation Committee as a member;
- work closely with the Nominating and Corporate Governance Committee in periodically evaluating board and committee structures, as well as advise with respect to succession planning for the Board;
- serve on and/or advise the boards of HEI's primary operating subsidiaries, Hawaiian Electric and ASB, chair joint executive sessions of the independent directors of HEI and these subsidiary boards and attend meetings of subsidiary board committees;
- work closely with management to develop meeting agendas and materials for the Board and subsidiary boards;
- be available to other Board and subsidiary board members and management for questions and consultation; and

ensure and facilitate communications among Board members and Board committees and between the Board and management.

The Board's Corporate Governance Guidelines provide that if the Chairman and CEO positions are held by the same person, or if the Board determines that the Chairman is not independent, the independent directors should designate an independent director to serve as "Lead Director." If a Lead Director is designated, the Lead Director's responsibilities are to: (i) preside at Board and shareholder meetings when the Chairman is not present, (ii) preside at executive sessions of the independent directors, (iii) facilitate communication

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between the independent directors and the Chairman or the Board as a whole, (iv) call meetings of the non-management or independent directors in executive session, (v) participate in approving meeting agendas, schedules and materials for the Board and (vi) perform other functions described in the Corporate Governance Guidelines or as determined by the Board from time to time.

The Board believes that its current leadership structure, which provides for an independent nonemployee Chairman, or an independent Lead Director if the Chairman is not independent, is appropriate and effective in light of HEI's current operations, strategic plans and overall corporate governance structure. Several reasons support this conclusion. First, the Board believes that having an independent Chairman or Lead Director has been important in establishing a *tone at the top* for both the Board and the Company that encourages constructive expression of views that may differ from those of senior management. Second, the Board believes that the presence of an independent Chairman or Lead Director demonstrates to the Company's regulators and shareholders that the Board is committed to serving the best interests of the Company and its shareholders and not the best interests of management. Third, the Board recognizes that HEI has an uncommon corporate governance structure in that the boards of its two primary operating subsidiaries are also composed mostly of nonemployee directors and that the HEI Chairman plays an important leadership role at these subsidiary boards. For instance, in addition to chairing executive sessions of the nonemployee directors and attending meetings of the committees of these subsidiary boards, the Chairman leads each subsidiary board in conducting its annual performance self-evaluation and facilitates communications between the Board and each of these boards and management of the respective subsidiary company.

The Board's role in risk oversight

HEI is a holding company that operates principally through its electric public utility and bank subsidiaries. At the holding company and subsidiary levels, the Company faces a variety of risks, including operational risks, regulatory (including environmental regulations) and legal compliance risks, credit and interest rate risks, competitive risks, liquidity risks, cybersecurity risks and strategic and reputational risks. Developing and implementing strategies to manage these risks is the responsibility of management, and that responsibility is carried out by assignments of responsibility to various officers and other employees of the Company under the direction of HEI's Chief Financial Officer, who also serves as HEI's chief risk officer. The role of the Board is to oversee the management of these risks.

The Board's specific risk oversight functions are as follows:

The Board has approved a consolidated enterprise risk management (ERM) system recommended by management. The system is designed to identify and assess risks across the HEI enterprise so that information regarding the Company's risks can be reported to the Board, along with proposed strategies for mitigating these risks. The structure of the ERM system is decentralized, with separate chief risk officers at each of Hawaiian Electric and ASB in addition to HEI's chief risk officer. The chief risk officer of Hawaiian Electric is also responsible for identifying, assessing and reporting risks at HEI's other electric utility subsidiaries that operate on the neighbor islands of Hawaii, Maui, Molokai and Lanai. Each subsidiary chief risk officer reports directly to the respective subsidiary President and functionally to HEI's chief risk officer, who reviews such risks on a consolidated basis. The Board believes that this decentralized risk management structure is appropriate and effective for the Company's diverse operations and holding company structure, because it allows for industry-specific risk identification and management at the subsidiary levels while also ensuring an integrated and consolidated view of risk at the holding company level by HEI's chief risk officer. In connection with approving this ERM system, the Board reviewed a catalog of risks and management's assessment of those risks. As part of the Board's ongoing risk oversight, HEI's chief risk officer is responsible for providing regular reports to the Board and Audit Committee on the status of those risks, any changes to the risk catalog or management's assessment of those risks, and any other risk management matters that the Board may request from time to time. The Board and Audit Committee also receive reports from HEI's internal auditor evaluating the effectiveness of management's implementation of the approved ERM system.

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The Board has assigned to the Audit Committee the responsibility of assisting in the oversight of the overall risk management strategy of the Company. In providing such assistance, the Audit Committee is specifically required to discuss policies with respect to risk assessment and risk management, including the guidelines and policies governing the process by which risk assessment and risk management are undertaken at the Company, and to report to the Board the committee's discussion and findings so that the entire Board can consider changes (if any) in the Company's risk profile.

The Board has also assigned to the Audit Committee the specific risk oversight responsibilities of (i) reviewing the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, (ii) overseeing HEI's Code of Conduct compliance program and (iii) establishing procedures for direct reporting of potential accounting and auditing issues to the Audit Committee. The Audit Committee reports to the Board each quarter regarding these matters.

The Board has assigned to the Compensation Committee the specific risk oversight responsibility of reviewing whether the compensation policies or practices of HEI or its subsidiaries encourage employees to take risks that are reasonably likely to have a material adverse effect on such entities and of recommending new or revised policies and practices to address any such identified risks. Included in this oversight responsibility is the Compensation Committee's review and evaluation of ASB's compensation practices for compliance with regulatory guidance on sound incentive compensation plans. The Compensation Committee reports the results of its review and any recommendations to the Board. The results of the review are also communicated to the Audit Committee through HEI's chief risk officer. Both the Audit and Compensation Committees are composed entirely of independent directors.

In addition to overall risk oversight by the HEI Board, the boards of HEI's primary operating subsidiaries, Hawaiian Electric and ASB, are responsible for overseeing risks at their respective companies. The Hawaiian Electric Board has assigned responsibility for ongoing oversight of risk management to its Audit Committee and the ASB Board has assigned such responsibility to its Risk Committee. Under the decentralized ERM structure discussed above, risk management activities at the subsidiary level are reported to these committees and to the subsidiary boards through the subsidiary chief risk officers. The HEI Board and/or Audit Committee may also be invited to participate in risk oversight discussions by these subsidiary boards and/or committees. The information from these subsidiary board and committee sessions are reported, on at least a quarterly basis, to the HEI Board by the subsidiary chief risk officers (or their representatives), who functionally report to HEI's chief risk officer on risk management matters. These subsidiary boards are composed primarily of nonemployee directors. The subsidiary audit committees are composed primarily of nonemployee directors who meet the independence requirements for audit committee members of companies listed on the NYSE, and with regard to the ASB Audit Committee, comply with FDIC regulations.

At least annually, the Board conducts a strategic planning and risk review. As part of this review, the Board reviews fundamental financial and business strategies and assesses the major risks facing the Company and options to mitigate those risks. To facilitate strategic planning through constructive dialogue among management and Board members, members of management who are not directors are invited to participate in the review. Based on the review, the Board and senior management, including the HEI chief risk officer, identify key issues to be addressed during the course of the next calendar year.

The Board believes that, for risk oversight, it is especially important to have an independent Chairman or Lead Director in order to ensure that differing views from those of management are expressed. Since the HEI Chairman attends the meetings of the Board, the subsidiary boards and their respective committees, the HEI Chairman is also in a unique position to assist with communications regarding risk oversight and risk management among the Board and its committees, between the subsidiary boards and their respective committees and between directors and management.

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Selection of nominees for the Board

The Board believes that there are skill sets, qualities and attributes that should be represented on the Board as a whole but do not necessarily need to be possessed by each director. The Nominating and Corporate Governance Committee and the Board thus consider the qualifications and attributes of incumbent directors and director candidates both individually and in the aggregate in light of the current and future needs of HEI and its subsidiaries.

The Nominating and Corporate Governance Committee assists the Board in identifying and evaluating persons for nomination or re-nomination for Board service or to fill a vacancy on the Board. To identify qualified candidates for HEI Board membership, the Committee may consider persons who are serving on its subsidiary boards as well as persons suggested by Board members, management and shareholders or may retain a third-party search firm to help identify qualified candidates. The Committee's evaluation process does not vary based on whether a candidate is recommended by a shareholder, a Board member, a member of management or self-nomination.

Once a person is identified as a potential director candidate, the committee may review publicly available information to assess whether the candidate should be further considered. If so, a committee member or designated representative for the committee will contact the person. If the person is willing to be considered for nomination, the person is asked to provide additional information regarding his or her background, his or her specific skills, experience and qualifications for Board service, and any direct or indirect relationships with the Company. In addition, one or more interviews may be conducted with committee and Board members, and committee members may contact one or more references provided by the candidate or others who would have first-hand knowledge of the candidate's qualifications and attributes.

In evaluating the qualifications and attributes of each potential candidate (including incumbent directors) for nomination or re-nomination or appointment to fill a vacancy, the committee considers:

- the candidate's qualifications, consisting of his/her knowledge (including relevant industry knowledge), understanding of the Company's businesses and the environment within which the Company operates, experience, skills, substantive areas of expertise, financial literacy, innovative thinking, business judgment, achievements and other factors required to be considered under applicable laws, rules or regulations;

- the candidate's attributes, comprising independence, personal and professional integrity, character, reputation, ability to represent the interests of all shareholders, time availability in light of other commitments, dedication, absence of conflicts of interest, diversity, appreciation of multiple cultures, commitment to deal responsibly with social issues and other stakeholder concerns and other factors that the committee considers appropriate in the context of the needs of the Board;

- familiarity with and respect for corporate governance requirements and practices;

- with respect to incumbent directors, the self-evaluation of the individual director, his or her current qualifications and his or her contributions to the Board;

- the current composition of the Board and its committees; and

- intangible qualities of the candidate including the ability to ask difficult questions and, simultaneously, to work collegially with members of the Board, as well as to work effectively with management.

The Board considers the recommendations of the Nominating and Corporate Governance Committee and then makes the final decision whether to renominate incumbent directors and whether to approve and extend an invitation to a candidate to join the Board upon appointment or election, subject to any approvals required by law, rule or regulation.

Diversity in identifying nominees for the Board

In assisting the Board in identifying qualified director candidates, the Nominating and Corporate Governance Committee considers whether the candidate would contribute to the expertise, skills and professional

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experience, as well as to the diversity of the Board in terms of race, ethnicity, gender, age, geography and cultural background. The Board believes it functions most effectively with members who collectively possess a range of substantive expertise, skills and experience in areas that are relevant to leading HEI in accordance with the Board's fiduciary responsibilities. The Board also believes that having a board composed of members who can collectively contribute a range of perspectives, including perspectives that may arise from a person's gender or ethnicity, improves the quality of the Board's deliberations and decisions because it enables the Board to view issues from a variety of perspectives and, thus, more thoroughly and completely. As the Company's operations and strategic plans and the Board's composition may evolve over time, the Nominating and Corporate Governance Committee is charged with identifying and assessing the appropriate mix of knowledge areas, qualifications and personal attributes contributed by Board members that will bring the most strategic and decision-making advantage to HEI.

With operations almost exclusively in the State of Hawaii, it is advantageous that our Board be composed largely of members who live and work in the state and have firsthand knowledge of and experience with our customer base and the political and regulatory environment. Since a large pool of potential candidates for Board membership come from Hawaii, the Board benefits from the unique racial diversity that exists in this state. If the shareholders vote to elect the three director nominees proposed by the Board for election at the 2018 Annual Meeting, the resulting composition of the Board would be as follows: four directors (or 44.4%) who are Caucasian, four directors (or 44.4%) who are Asian American and one director (or 11.1%) who is Caucasian, Asian American and native Hawaiian. Two (or 22.2%) of the nine directors are female.

The Board also recognizes that, due to Hawaii's geographic isolation from the continental United States and the comparatively small number of publicly-traded companies, banks and regulated utilities based in Hawaii, the Board also benefits from having among its members directors who have gained business experience at companies located in other states; those Board members contribute valuable information about experiences they have had working at or serving on the boards of other public companies and companies in similar industries, which also contributes to the breadth of perspectives on the Board.

Director resignation policies

Through its Corporate Governance Guidelines, the Board requires its members to submit a letter of resignation for consideration by the Board in certain circumstances. A director must tender his or her resignation in the event of a significant change in the director's principal employment and at the end of the term during which the director reaches age 75. In addition to the evaluation process discussed on page 16, requiring a director to submit a letter of resignation in these two circumstances ensures that the Board examines whether a director's skills, expertise and attributes continue to provide value over time.

A director must also submit his or her resignation for consideration by the Board if the director is elected under the plurality vote standard (described on page 68) but does not receive the support of the majority of votes cast. In such an event, the Board will evaluate the reasons for the voting result and determine how best to address the shareholder concerns underlying that result. In some cases, the Board may decide that the best approach is to accept the director's resignation. In other cases, the Board may discover that a shareholder concern that was the cause of the vote outcome may more appropriately be addressed by taking other action.

The Board's role in management succession planning

The Board, led by its Nominating and Corporate Governance Committee, is actively engaged in succession planning and talent development, with a focus on the CEO and senior management of HEI and its operating subsidiaries. The Board and the Nominating and Corporate Governance Committee consider talent development programs and succession candidates through the lens of Company strategy and anticipated future opportunities and challenges. At its meetings throughout the year, the Nominating and Corporate

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Governance Committee reviews progress of talent development and succession programs and discusses internal and external succession candidates, including their capabilities, accomplishments, goals and development plans. The full Board also reviews and discusses talent strategy and evaluations of potential succession candidates at an annual Board retreat. In addition, potential leaders are given frequent exposure to the Board through formal presentations and informal events. These reviews, presentations and other interactions familiarize the Board with the Company's talent pool to enable the Board to select successors for the senior executive positions when appropriate.

Shareholder communication with the directors

Interested parties, including shareholders, desiring to communicate with the Board, any individual director or the independent directors as a group regarding matters pertaining to the business or operations of HEI may address their correspondence in care of the Corporate Secretary, Hawaiian Electric Industries, Inc., P.O. Box 730, Honolulu, HI 96808-0730. The HEI Corporate Secretary may review, sort and summarize all such correspondence in order to facilitate communications to the Board. In addition, the HEI Corporate Secretary has the authority and discretion to handle any director communication that is an ordinary course of business matter, including routine questions, complaints, comments and related communications that can appropriately be handled by management. Directors may at any time request copies of all correspondence addressed to them. The charter of the HEI Audit Committee, which is available for review at *www.hei.com/govdocs*, sets forth procedures for submitting complaints or concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters on a confidential, anonymous basis.

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BOARD OF DIRECTORS

Independent directors

Under HEI's Corporate Governance Guidelines, a majority of Board members must qualify as independent under the listing standards of the NYSE and any additional requirements as determined by the Board from time to time.

For a director to be considered independent under NYSE listing standards, the Board must determine that the director does not have any direct or indirect material relationship with HEI or its subsidiaries apart from his or her service as a director. The NYSE listing standards also specify circumstances under which a director may not be considered independent, such as when the director has been an employee of the Company within the last three fiscal years, if the director has had certain relationships with the Company's external or internal auditor within the last three fiscal years or when the Company has made or received payments for goods or services to entities with which the director or an immediate family member of the director has specified affiliations and the aggregate amount of such payments in any year within the last three fiscal years exceeds the greater of $1 million or 2% of such entity's consolidated gross revenues for the fiscal year.

The Board has also adopted Categorical Standards for Director Independence (HEI Categorical Standards), which are available for review on HEI's website at *www.hei.com/govdocs*. The HEI Categorical Standards specify circumstances under which a director may not be considered independent. In addition to the circumstances that would preclude independence under the NYSE listing standards, the HEI Categorical Standards provide that a director is not independent if HEI and its subsidiaries have made charitable contributions to a nonprofit organization for which the director serves as an executive officer and the aggregate amount of such contributions in any single fiscal year of the nonprofit organization within the last three fiscal years exceeds the greater of $1 million or 2% of such organization's consolidated gross revenues for the fiscal year.

The Nominating and Corporate Governance Committee and the Board considered the relationships described below in assessing the independence of Board members. Based on its consideration of such relationships and the recommendations of the Nominating and Corporate Governance Committee, the Board determined that all of the nonemployee directors of HEI (Messrs. Dahl, Fargo, Russell, Scott, Taketa, Taniguchi and Watanabe and Ms. Fowler) are independent. The remaining director, Ms. Lau, is an employee director of HEI and therefore is not independent.

Relationships considered in determining director independence:

With respect to Messrs. Scott, Taketa, Taniguchi and Watanabe, the Board considered amounts paid in the last three fiscal years to purchase electricity from HEI subsidiaries Hawaiian Electric or Hawaii Electric Light (the sole public utilities providing electricity to the islands of Oahu and Hawaii, respectively) by entities employing these directors or where a family member of the director was an executive officer. None of the amounts paid by these entities for electricity (excluding pass-through charges for fuel, purchased power and Hawaii state revenue taxes) exceeded the thresholds in the NYSE listing standards or HEI Categorical Standards that would automatically result in a director not being independent. Since Hawaiian Electric and Hawaii Electric Light are the sole sources of electric power on the islands of Oahu and Hawaii, respectively, the rates they charge for electricity are fixed by state regulatory authority and purchasers of electricity from these public utilities have no choice as to supplier and no ability to negotiate rates or other terms, the Board determined that these relationships do not impair the independence of these directors.

With respect to Dr. Scott, the Board considered charitable contributions in the last three fiscal years from HEI and its subsidiaries to the nonprofit organization where he serves as an executive officer. None of the contributions exceeded the threshold in the HEI Categorical Standards that would automatically result in Dr. Scott not being independent. In determining that these donations did not impair the independence of Dr. Scott, the Board also considered the fact that Company policy requires that charitable contributions from HEI or its subsidiaries to entities where an HEI director serves as an executive officer, and where the

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director has a direct or indirect material interest, and the aggregate amount donated by HEI and its subsidiaries to such organization would exceed $120,000 in any single fiscal year, be preapproved by the Nominating and Corporate Governance Committee.

With respect to Messrs. Fargo, Scott, Taniguchi and Watanabe, the Board considered other director or officer positions held by those directors at entities for which an HEI executive officer serves as a director or trustee and determined that none of these relationships affected the independence of these directors. None of these relationships resulted in a compensation committee interlock or would automatically preclude independence under the NYSE listing standards or HEI Categorical Standards.

Board meetings in 2017

In 2017, there were seven regular meetings and one special meeting of the Board. All directors who served on the Board in 2017 attended at least 90% of the combined total number of meetings of the Board and Board committees on which they served during the year.

Executive sessions of the Board

The nonemployee directors meet regularly in executive sessions without management present. In 2017, these sessions were chaired by Mr. Watanabe, who is the Chairman of the Board and an independent nonemployee director. Mr. Watanabe may request from time to time that another independent director chair the executive sessions.

Board attendance at annual meetings

All of HEI's incumbent directors who served on the Board in 2017 attended the 2017 Annual Meeting of Shareholders. HEI encourages all directors to attend each year's Annual Meeting.

Board evaluations

The Board conducts annual evaluations to determine whether it and its committees are functioning effectively. As part of the evaluation process, each member of the Audit, Compensation and Nominating and Corporate Governance Committees annually evaluates the performance of each committee on which he or she serves.

Each director up for reelection also evaluates his or her own performance. The nonemployee directors also periodically complete peer evaluations of the other nonemployee directors. The evaluation process is overseen by the Nominating and Corporate Governance Committee, in consultation with the Chairman.

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COMMITTEES OF THE BOARD

Board committee composition and meetings

The Board has four standing committees: Audit, Compensation, Executive and Nominating and Corporate Governance. Members of these committees are appointed annually by the Board, taking into consideration the recommendations of the Nominating and Corporate Governance Committee. The table below shows the current members of each such committee and the number of meetings each committee held in 2017.

Name	Audit	Compensation	Executive	Nominating and Corporate Governance
Richard J. Dahl				
Thomas B. Fargo				
Peggy Y. Fowler				
Constance H. Lau1				
Keith P. Russell				
James K. Scott				
Kelvin H. Taketa				
Barry K. Taniguchi				
Jeffrey N. Watanabe				
Number of meetings in 2017	**8**	**7**	**0**	**4**

1

Ms. Lau is an employee director. All other directors have been determined to be independent. See "Board of Directors Independent Directors" above.

Functions of the Board's standing committees

The primary functions of HEI's standing committees are described below. Each committee operates and acts under written charters that are approved by the Board and available for review on HEI's website at www.hei.com/govdocs. Each of the Audit, Compensation and Nominating and Corporate Governance Committees may form subcommittees of its members and delegate authority to its subcommittees.

Audit Committee

The Audit Committee is responsible for overseeing (i) HEI's financial reporting processes and internal controls, (ii) the performance of HEI's internal auditor, (iii) risk assessment and risk management policies set by management and (iv) the Corporate Code of Conduct compliance program for HEI and its subsidiaries. In addition, this committee is directly responsible for the appointment, compensation and oversight of the independent registered public accounting firm that audits HEI's consolidated financial statements. The Audit Committee operates and acts under

a written charter, which was adopted and approved by the Board and is available for review at www.hei.com/govdocs. The Audit Committee also maintains procedures for receiving and reviewing confidential reports of potential accounting and auditing concerns. See "Audit Committee Report" below for additional information about the Audit Committee.

All Audit Committee members are independent and qualified to serve on the committee pursuant to NYSE and SEC requirements and the Audit Committee meets the other applicable requirements of the Securities Exchange Act of 1934.

Mr. Dahl currently serves on the audit committees of DineEquity (NYSE: DIN), IDACORP, Inc. (NYSE: IDA), IDACORP's wholly-owned subsidiary, Idaho Power Company, and HEI's wholly-owned subsidiary Hawaiian Electric. The HEI Board has determined that Mr. Dahl's simultaneous service on the other audit committees would not impair his ability to effectively serve on its

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Audit Committee. None of the other Audit Committee members serve on the audit committees of more than two other public companies.

Compensation Committee

The responsibilities of the Compensation Committee include (i) overseeing the compensation plans and programs for employees, executives and nonemployee directors of HEI and its subsidiaries, including equity and incentive plans; (ii) reviewing the extent to which risks that may arise from the Company's compensation policies and practices, if any, may have a material adverse effect on the Company and recommending changes to address any such risks; (iii) evaluating the compliance of ASB's incentive compensation practices under the principles for sound incentive compensation plans for banking organizations and (iv) assessing the independence of any compensation consultant involved in determining or recommending director or executive compensation. See "Compensation Discussion and Analysis How We Make Compensation Decisions" and "Compensation Committee Interlocks and Insider Participation" below for additional information about the Compensation Committee.

The Compensation Committee operates and acts under a written charter, which was adopted and approved by the Board and is available for review at www.hei.com/govdocs. All Compensation Committee members are independent and qualified to serve on this committee pursuant to NYSE requirements and also qualify as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code and as "nonemployee directors" as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934. An independent member of the board of directors of each of Hawaiian Electric and ASB attends meetings of the Compensation Committee as a nonvoting representative of such director's subsidiary board.

Executive Committee

The Executive Committee may exercise the power and authority of the Board when it appears to its members that action is necessary and a meeting of the full Board is impractical. It may also consider other matters concerning HEI that may arise from time to time between Board meetings. The Executive Committee is currently composed of the Chairman of the Board, who chairs the Executive Committee, the Audit Committee Chair and the HEI President and CEO. The Executive Committee operates and acts under a written charter, which was adopted and approved by the Board and is available for review at www.hei.com/govdocs.

Nominating and Corporate Governance Committee

The functions of the Nominating and Corporate Governance Committee include (i) evaluating the background and qualifications of potential nominees for the Board and for the boards of HEI's subsidiaries, (ii) recommending to the Board the director nominees to be submitted to shareholders for election at the next Annual Meeting, (iii) assessing the independence of directors and nominees, (iv) recommending the slate of executive officers to be appointed by the Board and subsidiary boards, (v) advising the Board with respect to matters of Board and committee composition and procedures, (vi) overseeing the annual evaluation of the Board, its committees and director nominees, (vii) overseeing talent development and succession planning for senior executive positions and (viii) making recommendations to the Board and the boards of HEI's subsidiaries regarding corporate governance and board succession planning matters. The Nominating and Corporate Governance Committee operates and acts under a written charter, which was adopted and approved by the Board and is available for review at www.hei.com/govdocs. See "Corporate Governance" above for additional information regarding the activities of the Nominating and Corporate Governance Committee.

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DIRECTOR COMPENSATION

How director compensation is determined

The Board believes that a competitive compensation package is necessary to attract and retain individuals with the experience, skills and qualifications needed to serve as a director of a publicly traded company with a unique blend of highly regulated industries. Nonemployee director compensation is composed of a mix of cash and HEI Common Stock to align the interests of directors with those of HEI shareholders. Only nonemployee directors are compensated for their service as directors. Ms. Lau, the only employee director of HEI, does not receive separate or additional compensation for serving as a director. Although Ms. Lau is a member of the HEI Board, neither she nor any other executive officer participates in the determination of nonemployee director compensation.

The Compensation Committee reviews nonemployee director compensation at least once every three years and recommends changes to the Board. In 2016, the HEI Compensation Committee asked its independent compensation consultant, Frederic W. Cook & Co., Inc. (FW Cook), to conduct an evaluation of HEI's nonemployee director compensation practices. FW Cook assessed the structure of HEI's nonemployee director compensation program and its value compared to competitive market practices of utility peer companies, similar to the assessments used in its executive compensation review. The 2016 analysis took into consideration the duties and scope of responsibilities of directors. The HEI Compensation Committee reviewed the analysis in determining its recommendations concerning the appropriate nonemployee director compensation, including cash retainers, stock awards and meeting fees for HEI directors.

The Compensation Committee recommended approval to the Board and at its December 12, 2016 meeting, the Board approved the recommendation by FW Cook to increase the HEI director cash retainer by $10,000 to $75,000 and annual equity by $25,000 to $100,000 in common stock in order to position HEI's director compensation near the competitive median. The increase was effective January 1, 2017.

Components of director compensation

Cash retainer. HEI nonemployee directors received the cash amounts shown below as retainer for their 2017 HEI Board service and for their 2017 service on HEI and subsidiary board committees. Typically, no separate fees are paid to HEI directors for service on subsidiary company boards. Cash retainers were paid in quarterly installments.

Position*	2017 Annual Retainer
HEI Nonexecutive Chairman of the Board	$250,000
HEI Director	75,000
HEI Audit Committee Chair	15,000
HEI Compensation Committee Chair	15,000
HEI Nominating and Corporate Governance Committee Chair	10,000
HEI Audit Committee Member	6,000
HEI Compensation Committee Member	6,000
HEI Nominating and Corporate Governance Committee Member	4,000
Hawaiian Electric Audit Committee Chair	10,000
Hawaiian Electric Audit Committee Member	4,000
ASB Audit Committee Chair	10,000
ASB Audit Committee Member	4,000
ASB Risk Committee Chair	10,000

ASB Risk Committee Member	4,000

* *No additional retainer is paid for service on the HEI Executive Committee.*

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Extra meeting fees. Nonemployee directors are also entitled to meeting fees for each board or committee meeting attended (as member or chair) after the number of meetings specified below.

HEI Board	$1,500 per meeting after 8 meetings
HEI Audit Committee	$1,500 per meeting after 10 meetings
HEI Compensation Committee	$1,500 per meeting after 6 meetings
HEI Nominating and Corporate Governance Committee	$1,500 per meeting after 6 meetings
Hawaiian Electric Audit Committee	$1,000 per meeting after 6 meetings
ASB Audit Committee	$1,000 per meeting after 10 meetings
ASB Risk Committee	$1,000 per meeting after 6 meetings

Stock awards. On June 30, 2017, each HEI nonemployee director received shares of HEI Common Stock with a value equal to $100,000 as an annual grant under HEI's 2011 Nonemployee Director Stock Plan (2011 Director Plan), which was approved by HEI shareholders on May 10, 2011, for the purpose of further aligning directors' and shareholders' interests. The number of shares issued to each HEI nonemployee director was determined based on the closing sales price of HEI Common Stock on the NYSE on June 30, 2017. Stock grants to nonemployee directors under the 2011 Director Plan are made annually on the last business day in June.

Retirement benefit. HEI's Nonemployee Director Retirement Plan, which provided retirement benefits to nonemployee directors, was terminated in 1996. Directors who were retired from their primary occupation at that time remained eligible to receive benefits under the plan based on years of service as a director at the time of the plan's termination. All benefits payable under the plan cease upon the death of the nonemployee director.

Deferred compensation. Nonemployee directors may participate in the HEI Deferred Compensation Plan implemented in 2011 (2011 Deferred Compensation Plan) and described under "Compensation Discussion and Analysis Benefits Deferred Compensation Plans" below. Under the plan, deferred amounts are credited with gains/losses of deemed investments chosen by the participant from a list of publicly traded mutual funds and other investment offerings. Earnings are not above-market or preferential. Participants may elect the timing upon which distributions are to begin following separation from service (including retirement) and may choose to receive such distributions in a lump sum or in installments over a period of up to fifteen years. Lump sum benefits are payable in the event of disability or death. Mr. Taketa participated in this plan in 2017, but no other nonemployee director did so. Nonemployee directors are also eligible to participate in the prior HEI Nonemployee Directors' Deferred Compensation Plan, as amended January 1, 2009, although no nonemployee director deferred compensation under such plan in 2017.

Health benefits. Nonemployee directors may participate, at their election and at their cost, in the group employee medical, vision and dental plans generally made available to HEI, Hawaiian Electric or ASB employees. No nonemployee director participated in such plans in 2017.

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2017 DIRECTOR COMPENSATION TABLE

The table below shows the compensation paid to HEI nonemployee directors for 2017.

Name*	Fees Earned or Paid in Cash ($)3	Award Paid in Shares of Stock ($)4	Changes in Pension Value & Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Richard J. Dahl	87,000	125,479			212,479
Thomas B. Fargo	95,500	100,000			195,500
Peggy Y. Fowler	82,500	100,000			182,500
Keith P. Russell	95,000	100,000			195,000
James K. Scott	79,000	100,000			179,000
Kelvin H. Taketa1	85,000	100,000			185,000
Barry K. Taniguchi	100,000	100,000			200,000
Jeffrey N. Watanabe, Chairman2	336,500	100,000			436,500

1

In 2017, Mr. Taketa elected to defer $68,000 of his fees under the 2011 Deferred Compensation Plan. Mr. Taketa did not have above-market or preferential earnings on nonqualified deferred compensation in 2017.

2

Mr. Watanabe's fees were for service as director and Chairman of the HEI Board and as a member of the Compensation Committee. He also served on the HEI Executive Committee and the ASB Board and Executive Committee, as well as the Hawaiian Electric Board and ASB Risk Committee. Mr. Watanabe's HEI Chairman responsibilities are described above under "Corporate Governance The Board's leadership structure."

3

Represents cash retainers for board and committee service (as detailed below). See detail of cash retainers for Board and committee service below.

4

For all HEI nonemployee directors other than Mr. Dahl, this amount represents an HEI stock award in the value of $100,000, as described above under "Stock awards." Due to Mr. Dahl's January 1, 2017 appointment, he also received a new director stock grant pro-rated to cover the period from the date of his appointment to the 2017 annual meeting.

The table below shows the detail of cash retainers paid to HEI nonemployee directors for Board and committee service (including subsidiary committee service) in 2017.

Name*	HEI Board Retainer ($)	HEI Committee Retainer ($)	HEI Chairman Retainer ($)	HEI Extra Meeting Fees1 ($)	HECO Audit Committee Retainer ($)	HECO Extra Meeting Fees ($)	ASB Audit Committee Retainer ($)	ASB Risk Committee Retainer ($)	Total ($)
Richard J. Dahl	75,000	6,000			4,000	2,000			87,000
Thomas B. Fargo	75,000	19,000		1,500					95,500
Peggy Y. Fowler	75,000	6,000		1,500					82,500
Keith P. Russell	75,000	6,000					4,000	10,000	95,000
James K. Scott	75,000	4,000							79,000
Kelvin H. Taketa	75,000	10,000							85,000
Barry K. Taniguchi	75,000	15,000					10,000		100,000
Jeffrey N. Watanabe, HEI Chairman	75,000	6,000	250,000	1,500				4,000	336,500

1

Represents extra meeting fees earned for attending committee meetings in excess of the number of meetings specified on page 20.

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Director stock ownership and retention

HEI directors are required to own and retain HEI Common Stock throughout their service with the Company. Each director has until his or her compliance date (January 1 of the year following the fifth anniversary of the later of (i) amendment to his or her required level of stock ownership or (ii) first becoming subject to the requirements) to reach the following ownership levels: Chairman of the Board 2x annual cash retainer; other HEI directors 5x annual cash retainer. As of January 1, 2017, each director who had reached his or her compliance date had achieved his or her stock ownership target.

Until reaching the applicable stock ownership target, directors must retain all shares received under their annual stock retainer. The Compensation Committee has the authority to approve hardship exceptions to these retention requirements.

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PROPOSAL NO. 2: ADVISORY VOTE TO APPROVE THE COMPENSATION OF HEI'S NAMED EXECUTIVE OFFICERS

We are asking for your advisory vote on the compensation of our named executive officers as described in this Proxy Statement. This proposal, commonly known as a "say-on-pay" proposal, gives shareholders the opportunity to express their views on the overall compensation of our named executive officers and the policies and practices described in this Proxy Statement.

The Compensation Committee and Board believe that HEI's executive compensation is effective in achieving our goals of promoting long-term value for shareholders and attracting, motivating and retaining the talent necessary to create such value. Accordingly, the Board recommends that you vote FOR the following resolution:

> *Resolved, that the shareholders approve, in an advisory vote, the compensation of HEI's named executive officers as disclosed in the Compensation Discussion and Analysis and Executive Compensation Tables sections of the Proxy Statement for the 2018 Annual Meeting of Shareholders.*

Please read the Compensation Discussion and Analysis and Executive Compensation Tables portions of this Proxy Statement. These sections describe the Company's executive compensation policies and practices and the compensation of our named executive officers.

While the say-on-pay vote is advisory and is therefore nonbinding, the Compensation Committee and Board consider the vote results when making future decisions regarding HEI's executive compensation.

ü **FOR**

Your Board recommends that you vote FOR the advisory resolution approving the compensation of HEI's named executive officers as disclosed in this Proxy Statement.

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COMPENSATION DISCUSSION AND ANALYSIS

This section describes our executive compensation program and the compensation decisions made for our 2017 named executive officers. For 2017, we have five named executive officers, our Chief Executive Officer, the two individuals who served as our Chief Financial Officer for some portion of the year, and our two other executive officers during 2017, the chief executives at Hawaiian Electric (our electric utility subsidiary) and ASB (our bank subsidiary), respectively:

Name	Title	Entity
Constance H. Lau	HEI President & CEO	Holding company
Gregory C. Hazelton	HEI Executive Vice President & Chief Financial Officer	Holding company
Alan M. Oshima	Hawaiian Electric President & CEO	Electric utility subsidiary
Richard F. Wacker	ASB President & CEO	Bank subsidiary
James A. Ajello*	Former HEI Executive Vice President & Chief Financial Officer	Holding company

* *Mr. Ajello retired effective April 2, 2017.*

Executive summary

Our guiding principles shape our program design and pay decisions

In designing HEI's executive compensation program and making pay decisions, the Compensation Committee follows these guiding principles:

- pay should reflect Company performance, particularly over the long-term,
- compensation programs should align executives' interests with those of our shareholders and other stakeholders,
- programs should be designed to attract, motivate and retain talented executives who can drive the Company's success, and
- the cost of programs should be reasonable while maintaining their purpose and benefit.

Key design features

Straight-forward design. The compensation program for our named executive officers comprises four primary elements base salary, performance-based annual incentives, performance-based long-term incentives earned over three years and time-based restricted stock units (RSUs) that vest in equal annual installments over four years.

Emphasis on variable (performance-based) pay. Through the target compensation mix, we emphasize variable pay over fixed pay, with the majority of the target compensation opportunity for each named executive officer linked to the Company's financial, market and operating results.

Balance between short- and long-term components. The compensation program also balances the importance of achieving long-term strategic priorities and critical short-term goals that support long-term objectives.

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Our compensation practices demonstrate our commitment to sound governance

The tables below summarize our current executive compensation practices both what we do (to drive performance and manage risk) and what we don't do:

What We Do

- ü Link pay to performance
- ü Utilize rigorous performance conditions that encourage long-term value creation
- ü Balance short- and long-term compensation to promote sustained performance over time
- ü Grant majority of long-term incentives in the form of performance-based awards
- ü Use the competitive median as a reference point in setting compensation levels
- ü Review tally sheets when making compensation decisions
- ü Mitigate undue risk in compensation programs
- ü Utilize "double-trigger" change-in-control agreements
- ü Maintain clawback policy for performance-based compensation
- ü Require stock ownership and retention by named executive officers; CEO must own five times her base salary
- ü Prohibit pledging of Company stock and transactions designed to hedge the risk of stock ownership
- ü Utilize an independent compensation consultant to advise the Compensation Committee

What We Don't Do

- No employment contracts
- No tax gross ups, except under the Executive Death Benefit Plan frozen in 2009
- No compensation programs that are reasonably likely to create material risk to the Company
- No significant perquisites

No dividends or dividend equivalents on unearned performance shares

2017 say-on-pay results, shareholder outreach and 2018 program

At our 2017 Annual Meeting of Shareholders, 94% of votes cast approved our executive compensation program through the advisory say-on-pay vote. In addition, in 2018, we invited shareholders who collectively held more than 25% of HEI's outstanding shares and key proxy advisory organizations to discuss our executive compensation program. From such outreach, we learned that there was general approval of our program.

The executive compensation program in place in 2015 and 2016 reflected the fact that HEI's proposed merger with NextEra Energy was pending at that time. In early 2015 and 2016, respectively, the Compensation Committee had provided for the 2015-17 and 2016-18 LTIP to be settled in cash rather than in equity as in prior years, and for relative total shareholder return (TSR) to be replaced by earnings per share (EPS) growth as one of the LTIP metrics. These changes were implemented because the Compensation Committee had determined that while the merger was pending the Company's stock price might be affected at least in part by merger considerations that were unrelated to the Company's true operating performance and that, as a result, the compensatory goals of the LTIP would be better served without such merger impact. Since the merger agreement between HEI and NextEra Energy was terminated in July 2016, and consistent with the feedback we received from stakeholders during our outreach at that time, the Compensation Committee determined that the 2017-19 and 2018-20 LTIPs would return to being settled in equity and include relative TSR as one of the performance metrics.

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How we make compensation decisions

Our roles in determining compensation are well-defined

Role of the Compensation Committee

The Compensation Committee oversees the design and implementation of our executive compensation program. On an annual basis, the Compensation Committee engages in a rigorous process to arrive at compensation decisions regarding the named executive officers. In the course of this process, the Compensation Committee:

- Engages in extensive deliberations in meetings held over several months
- Consults with its independent compensation consultant during and outside of meetings
- Focuses on the Company's long-term strategy and nearer-term goals to achieve such strategy in setting performance metrics and goals
- Reviews tally sheets for each named executive officer to understand how the elements of compensation relate to each other and to the compensation package as a whole (the tally sheets include fixed and variable compensation, minimal perquisites and change in pension value for current and past periods)
- Examines data and analyses prepared by its independent compensation consultant concerning peer group selection, comparative compensation data and evolving best practices
- Reviews Company performance and discusses assessments of the individual performance of senior members of management
- Analyzes the reasonableness of incentive payouts in light of the long-term benefits to shareholders
- Considers trends in payouts to determine whether incentive programs are working effectively
- Reviews risk assessments to determine whether compensation programs and practices carry undue risk

Early each year, the Compensation Committee determines payouts under incentive plans ending in the prior year, establishes performance metrics and goals for incentive plans beginning that year and recommends to the Board and subsidiary boards the level of compensation and mix of pay elements for each named executive officer.

Role of the independent directors as a whole

The independent directors evaluate the CEO's performance, consider Compensation Committee recommendations concerning her pay and determine her compensation. The Board and subsidiary boards also review the performance of and Compensation Committee recommendations concerning the other named executive officers and approve their compensation.

Role of executive officers

The CEO, who is also an HEI director, assesses and reports on the performance of the other named executive officers and makes recommendations to the Compensation Committee with respect to their levels of compensation and mix of pay elements. She also participates in Board deliberations regarding the Compensation Committee's recommendations on the other named executive officers. She does not participate in the deliberations of the Compensation Committee to recommend, or of the Board to determine, her own compensation.

Management supports the Compensation Committee in executing its responsibilities by providing materials for Compensation Committee meetings (including tally sheets and recommendations regarding performance metrics, goals and pay mix); by attending portions of Compensation Committee meetings as appropriate to provide perspective and expertise relevant to agenda items; and by supplying data and information as requested by the Compensation Committee and/or its independent compensation consultant.

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Compensation consultant & consultant independence

The Compensation Committee's independent compensation consultant, Frederic W. Cook & Co., Inc. (FW Cook), is retained by, and reports directly to, the Compensation Committee. FW Cook provides the Compensation Committee with independent expertise on market practices and developments in executive compensation, compensation program design, peer group composition and competitive pay levels, and provides related research, data and analysis. FW Cook also advises the Compensation Committee regarding analyses and proposals presented by management related to executive compensation. A representative of FW Cook generally attends Compensation Committee meetings, participates in Compensation Committee executive sessions and communicates directly with the Compensation Committee.

In early 2018, as in prior years, the Compensation Committee evaluated FW Cook's independence, taking into account all relevant factors, including the factors specified in the NYSE listing standards and the absence of other relationships between FW Cook and the Company, its directors or executive officers. Based on such factors and FW Cook's independence policy, which was shared with the Compensation Committee, the Compensation Committee concluded that FW Cook is independent and that the work of FW Cook has not raised any conflict of interest.

We use comparative market data as a reference point for compensation

Compensation benchmarking

The Compensation Committee considers comparative market compensation as a reference in determining pay levels and mix of pay components. While the Compensation Committee seeks to position named executive officer target compensation opportunity (comprised of base salary, target performance-based annual incentive, target performance-based long-term incentive and time-vested RSUs) at approximately the comparative market median, the Compensation Committee may decide that an executive's pay opportunity should be higher or lower based on internal equity or the executive's level of responsibility, experience, expertise, performance, retention and succession considerations.

Information from public company proxy statements for peer group companies was used to provide comparative market data in setting 2017 compensation for all named executive officers. Data from the Willis Towers Watson Energy Services Survey, which consists of compensation data for 111 companies, was also used in establishing 2017 compensation. The data was regressed based on revenues of $2.7 billion for appropriate size comparison for each of HEI and Hawaiian Electric.

Peer Groups

Compensation peers

The Compensation Committee annually reviews the peer groups used in benchmarking for HEI and subsidiary executive compensation, with analysis and recommendations provided by FW Cook. For 2017 compensation, the Compensation Committee determined, with input from FW Cook, that ALLETTE, Black Hills, IdaCorp, and Northwestern Corp should be added to the peer group and that Integrys Energy, Pepco Holdings, TECO Energy, UIL Holdings, and Wisconsin Energy should be removed from the peer group. The selection criteria and resulting 2017 peer groups are set forth below.

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	HEI 2017 Peer Group (applies to Ms. Lau, Mr. Hazelton and Mr. Ajello)	**Utility Subsidiary 2017 Peer Group (applies to Mr. Oshima)**	**Bank Subsidiary 2017 Peer Group (applies to Mr. Wacker)**
Selection Criteria	Electric and multi-utility companies Revenue balanced in a range of approximately 0.5x to 2x HEI's revenue Market cap and location as secondary considerations	Subset of electric and multi-utility companies from HEI's peer group Revenue balanced in a range of approximately 0.5x to 2x Hawaiian Electric's revenue	Regional banks and thrifts Total assets balanced in a range of approximately 0.5x to 2x ASB's total assets Proportion of loan portfolio comprised of 1-4 family loans similar to ASB
Peer Group for 2017 Compensation	ALLETTE Alliant Energy Ameren Avista Black Hills CenterPoint Energy CMS Energy Eversource Energy Great Plains Energy IdaCorp MDU Resources NiSource Northwestern Corp OGE Energy Pinnacle West PNM Resources Portland General SCANA Vectren WEC Energy Westar Energy*	ALLETTE Alliant Energy Avista Black Hills Great Plains Energy IdaCorp MDU Resources NiSource Northwestern Corp OGE Energy Pinnacle West PNM Resources Portland General SCANA Vectren Westar Energy*	Ameris Bancorp Beneficial Bankcorp Berkshire Hills Bancorp Central Pacific Financial Community Bank System CVB Financial First Busey First Financial Bank HomeStreet Independent Bank Opus Bank Park National Republic Bancorp Renasant Corp Sandy Spring Bancorp Seacoast Banking South State Tomkins Financial TriCo Bancshares United Financial Westamerica Bancorp

** Acquired by another corporation after peer data was used in setting 2017 compensation.*

Performance peers

In addition to the peer companies used for benchmarking executive compensation, certain of the performance metrics used in the long-term incentive plans (described below under "Long-term incentives") are based on performance relative to performance peers. HEI's Relative TSR performance is based on HEI's performance compared to the utilities in the Edison Electric Institute (EEI) Index and ASB's Relative Return on Assets (ROA) performance metric is based on ASB's performance compared to that of all U.S. banks with assets of $3.5 billion to $8 billion. See note 4 to the "2015-17 Long-Term Incentive Performance Metrics & Why We Use Them" table on page 38 for an explanation of ASB's Relative ROA metric. The performance peers for ASB's Relative ROA metric are set forth below.

2015 Bank Performance Peer Group for Long-Term Incentive Plan Relative ROA Metric

The performance peer group for ASB's 2015-17 long-term incentive plan Relative ROA metric includes all publicly traded banks and thrifts with total assets between $3.5 billion and $8 billion. The specific banks and thrifts in the Relative ROA peer group in one year may differ from the banks and thrifts in the group in the next year, as total assets

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for a given institution may change from year to year. The following list identifies the companies in ASB's Performance Peer Group for 2015:

1st Source Corporation
Ameris Bancorp
BancFirst Corporation
Bancorp, Inc.
Bank of the Ozarks, Inc.
Banner Corporation
BBCN Bancorp, Inc.
Berkshire Hills Bancorp, Inc.
BNC Bancorp
Boston Private Financial Holdings, Inc.
Brookline Bancorp, Inc.
Capital Bank Financial Corporation
CenterState Banks, Inc.
Central Pacific Financial Corporation
Century Bancorp, Inc.
Chemical Financial Corporation
Community Bank System, Inc.
Community Trust Bancorp, Inc.
Customers Bancorp, Inc.
CVB Financial Corp.
Dime Community Bancshares, Inc.
Eagle Bancorp, Inc.
Farmers & Merchants Bank of Long Beach
FCB Financial Holdings, Inc.
First Busey Corporation
First Commonwealth Financial Corporation
First Financial Bancorp.
First Financial Bankshares, Inc.
First Merchants Corporation
Flushing Financial Corporation
Great Southern Bancorp, Inc.
Heartland Financial USA, Inc.
Home BancShares, Inc.
HomeStreet, Inc.
Independent Bank Corporation
Kearney Financial Corp. (MHC)
Lakeland Bancorp, Inc.
Legacy Texas Financial Group, Inc.
National Bank Holdings Corporation
NBT Bancorp Inc.
Northwest Bancshares, Inc.
OFG Bancorp
Opus Bank
Park National Corporation
Pinnacle Financial Partners, Inc.
Renasant Corporation
Republic Bancorp, Inc.
S&T Bancorp, Inc.
Sandy Spring Bancorp, Inc.
ServiceFirst Bancshares, Inc.
Simmons First National Corporation
South State Corporation
Sterling Bancorp
Tompkins Financial Corporation
TriCo Bancshares
TrustCo Bank Corp NY
Union Bankshares Corporation
United Community Banks, Inc.
United Financial Bancorp, Inc.
Washington Trust Bancorp, Inc.
WesBanco, Inc.
Westamerica Bancorporation
Willshire Bancorp, Inc.
WSFS Financial Corporation
Yadkin Financial Corporation

See note 3 to the "2017-19 Long-Term Incentive Performance Metrics & Why We Use Them" table on page 36 for an explanation of HEI's Relative TSR metric. The performance peers for HEI's Relative TSR metric are set forth below.

2017 Edison Electric Institute Index (EEI) Peers for HEI Long-Term Incentive Plan Relative TSR Metric

The EEI is an association of U.S. shareholder-owned electric companies that are representative of comparable investment alternatives to HEI. The EEI's members serve virtually all of the ultimate customers in the shareholder-owned segment of the industry. The following companies comprise the 2017 EEI Index used for HEI's Relative TSR metric:

ALLETTE, Inc.
Alliant Energy Corp.
Ameren Corp.
American Electric Power Co.
Avangrid
Avista Corp.
Black Hills Corp.
DTE Energy Co.
Duke Energy Corp.
Edison International
El Paso Electric Co.
Empire District Electric Co.
Entergy Corp.
Eversource Energy
MDU Resources Group Inc. MGE Energy Inc.
NextEra Energy Inc.
NiSource Inc.
Northwestern Corp.
OGE Energy Corp.
Otter Tail Corp.
PPL Corp.
Public Service Enterprise Group Inc.
SCANA Corp.
Sempra Energy
Southern Co.
Unitil Corp.

Centerpoint Energy Inc.	Exelon Corp.	PG&E Corp.	Vectren Corp.
CMS Energy Corp.	FirstEnergy Corp.	Pinnacle West Capital Corp.	WEC Energy Group Inc.
Consolidated Edison Inc.	Great Plains Energy Inc.	PNM Resources Inc.	Westar Energy Inc.
Dominion Resources Inc.	IDACORP Inc.	Portland General Electric	Xcel Energy Inc.

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What we pay and why: Compensation elements and 2017 pay decisions

Each element of compensation supports important objectives

The total compensation program for named executive officers is made up of the five standard components summarized below. Each component fulfills important objectives that reflect our focus on pay for performance, competitive programs to attract and retain talented executives and aligning executive decisions with the interests of the Company and our shareholders. These elements are described in further detail in the pages that follow.

Compensation Element	Summary	Objectives
Base Salary*	Fixed level of cash compensation set in reference to peer group median (may vary based on performance, experience, responsibilities and other factors).	Attract and retain talented executives by providing competitive fixed cash compensation.
Annual Performance-Based Incentives	Variable cash award based on achievement of pre-set performance goals for the year. Award opportunity is a percentage of base salary. Performance below threshold levels yields no incentive payment.	Drive achievement of key business results linked to short-term and long-term strategy and reward executives for their contributions to such results. Balance compensation cost and return by paying awards based on performance.
Long-Term Performance-Based Incentives	Variable equity award based on meeting pre-set performance objectives over a 3-year period. Award opportunity is a percentage of base salary. Performance below threshold levels yields no incentive payment.	Motivate executives and align their interests with those of shareholders by promoting long-term value growth and by paying awards in the form of equity. Balance compensation cost and return by paying awards based on performance.
Annual RSU Grant	Annual equity grants in the form of RSUs that vest in equal installments over 4 years. Amount of grant is a percentage of base salary.	Promote alignment of executive and shareholder interests by ensuring executives have significant ownership of HEI stock. Retain talented leaders through multi-year vesting.
Benefits	Includes defined benefit pension plans and retirement savings plan (for HEI/utility employees) and defined contribution plan (for bank employees); deferred compensation plans; double-trigger change-in-control agreements; minimal perquisites; and an executive death benefit plan (frozen since 2009).	Enhance total compensation with meaningful and competitive benefits that promote retention, peace of mind and contribute to financial security. Double-trigger change-in-control agreements encourage focused attention of executives during major corporate transitions.

*

For all NEOs other than Mr. Wacker, beginning in 2017, approved base salaries became effective as of March 1, 2017. For 2015 and 2016, base salaries were effective retroactively to January 1 and covered the entire calendar year. Accordingly, unless otherwise indicated, amounts referenced as 2017 base salary throughout this "Compensation Discussion and Analysis" section is comprised of a prorated amount representing two months of 2016 base salary and 10 months of 2017 base salary.

Changes to elements in 2017

On an annual basis, the Compensation Committee reviews and recommends each named executive officer's target compensation opportunity, which is composed of: base salary, target annual incentive opportunity and target

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long-term equity value. Target bonus and equity values are established as a percentage of base salary. The Compensation Committee made changes to base salary for 2017, as shown in the chart below.

	Base Salary ($)		Performance-based Annual Incentive (Target Opportunity1 as % of Base Salary)		Performance-based Long-term Incentive (Target Opportunity1 as % of Base Salary)		RSUs (Value as % of Base Salary)	
Name	**2016**	**2017**	**2016**	**2017**	**2016-18**	**2017-19**	**2016**	**2017**
Constance H. Lau	864,793	890,533	100	same	160	same	75	same
Gregory C. Hazelton2	450,487	487,500	60	Same	80	Same	Replacement award	50
Alan M. Oshima	583,555	600,583	75	same	95	same	65	same
Richard F. Wacker	640,860	660,000	80	same	80	same	20	same
James A. Ajello3	576,591	590,217	60	same	80	same	50	same

1

The threshold and maximum opportunities are 0.5 times target and 2 times target, respectively.

2

Mr. Hazelton became HEI's Senior Vice President, Finance on October 24, 2016. His full 2016 annualized base salary of $450,000 for 2016 is shown above but he only received $84,836 for the number of days he worked for HEI during the year. Mr. Hazelton was promoted to HEI Executive Vice President and CFO on April 2, 2017. Mr. Hazelton's pro-rated salary for 2017 was $487,500, which is reflected in the "2017 Summary Compensation Table" on page 48. In returning to HEI, Mr. Hazelton forfeited cash and equity compensation he would have received if he had stayed at his prior employer, including annual incentive pay for 2016, pro-rata portions of long term incentive pay for 2015-17 and 2016-18, and unvested portions of RSUs granted by his prior employer in 2015 and 2016. To encourage Mr. Hazelton to return to HEI, the Compensation Committee deemed it appropriate to replace such forfeited compensation.

3

Mr. Ajello retired effective April 2, 2017.

Base salary

Base salaries for our named executive officers are reviewed and determined annually. In establishing base salaries for the year, the Compensation Committee considers competitive market data, internal equity and each executive's level of responsibility, experience, expertise, performance and retention and succession considerations. The Compensation Committee considers the competitive median in setting base salaries, but may determine that the foregoing factors compel a higher or lower salary.

For 2017, in order to recognize their performance and maintain the market competitiveness of their pay, Ms. Lau received a base salary increase of 3.3%, Mr. Hazelton received a base salary increase of 8.3%, Mr. Oshima received a base salary increase of 12.4%, Mr. Wacker received a base salary increase of 3% and Mr. Ajello received a base salary increase of 2.5%. The resulting 2017 base salaries for the named executive officers are shown in the table above. As noted above under the "Compensation Elements" table, for all named executive officers other than Mr. Wacker, base salary increases for 2017 became effective as of March 1, 2017 (as opposed to retroactive to January 1, as was the case in 2015 and 2016). Accordingly, unless otherwise indicated, amounts referenced as 2017 base salary are prorated amounts as described above.

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Annual incentives

HEI named executive officers and other executives are eligible to earn an annual cash incentive award under HEI's Executive Incentive Compensation Plan (EICP) based on the achievement of performance goals for the year. Each year, the Compensation Committee determines the target annual incentive opportunity for each executive, performance metrics and the applicable goals.

2017 target annual incentive opportunity

The target annual incentive opportunity is a percentage of base salary, with the threshold and maximum opportunities equal to 0.5 times and 2 times target, respectively. In establishing the target percentage for each executive, the Compensation Committee takes into account the mix of pay elements, competitive market data, internal equity, prior performance and other factors described above under "Base salary."

The 2017 target annual incentive opportunities for the named executive officers are shown in the table above. For 2017, the Compensation Committee recommended, and the Board approved, keeping the target opportunity (as a percentage of base salary) the same as the 2016 target opportunity for each of our named executive officers.

2017 performance metrics, goals, results & payouts

The performance metrics for annual incentives are chosen because they connect directly to the Company's strategic priorities and correlate with creating shareholder value. The 2017 performance metrics for Ms. Lau, Mr. Hazelton and Mr. Ajello related to the holding company and its subsidiaries, while the metrics for Mr. Oshima related to the utility and the metrics for Mr. Wacker related to the bank. The rationale for each metric is shown in the chart below.

In addition to selecting performance metrics, the Compensation Committee determines the level of achievement required to attain the threshold, target and maximum goal for each metric. The level of difficulty of the goals reflects the Compensation Committee's belief that incentive pay should be motivational that is, the goals should be challenging but achievable and that such pay should be balanced with reinvestment in the Company and return to shareholders. Consistent with this approach, the Compensation Committee believes the threshold should represent solid performance with positive financial/operating results, target should denote achievable goals that include a stretch factor and maximum should signify truly exceptional performance.

The target level for financial goals, such as net income and ROA, is generally set at the level of the Board-approved budget, which represents the level of accomplishment the Company seeks to achieve for the year. In setting the threshold and maximum levels, the Compensation Committee considers whether the risks to accomplishing the budget weigh more heavily toward the downside and how challenging it would be to achieve incremental improvements over the target level.

The chart below identifies the 2017 annual incentive metrics, the objective each measure serves, the level of achievement required to attain the threshold, target and maximum levels for each metric, the results for 2017 and the percentage of target achieved.

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2017 Annual Incentive Performance Metrics & Why We Use Them	Weighting	Goals			Result	% of Target Achieved
		Threshold	Target	Maximum		
Lau, Hazelton and Ajello						
HEI Consolidated Adjusted Net Income1 focuses on fundamental earnings, which correlates to shareholder value	60%	$161.3M	$179.2M	$191.7M	$179.5M	
Utility Operations2 supports effective utility operations for all stakeholders	25%	See note 2 below	See note 2 below	See note 2 below	See note 2 below	112%
ASB Return on Assets (ROA)7 measures how efficiently the bank deploys its assets by comparing return to total assets	15%	0.85%	0.90%	0.95%	1.00%	
Oshima						
Utility Consolidated Adjusted Net Income1 focuses on fundamental earnings, which correlates to shareholder value	45%	$128.3M	$135.0M	$148.5M	$129.1M	
Utility Consolidated Operation and Maintenance Expense3 measures operational efficiency	15%	$437M	$426M	N/A	$414M	
Utility Consolidated System Average Interruption Duration Index (SAIDI)4	10%	105 minutes	102 minutes	99 minutes	112 minutes	70%

promotes system reliability for customers						
Utility Consolidated Customer Satisfaction5 focuses on improving the customer experience through all points of contact with the utility	5%	Consolidated score of 66 in 2 of 4 quarters	Consolidated score of 66 in 3 of 4 quarters	Consolidated score of 66 in 4 of 4 quarters	Consolidated score of 66 in 4 of 4 quarters	
Utility Consolidated Safety6 rewards improvements in workplace safety, promoting employee well-being and reducing expense	5%	1.25 TCIR	1.03 TCIR	0.92 TCIR	1.84 TCIR	
Transformation Metrics promote achievement of utility transformation initiatives	20%	Threshold	Target	Maximum	Target	
Wacker						
ASB ROA7	40%	0.85%	0.90%	0.95%	1.00%	
ASB Adjusted Net Income1 focuses on fundamental earnings, which correlates to shareholder value	60%	$54.0M	$60.0M	$65.0M	$66M	200%

N/A Not Applicable

1

HEI Consolidated, Utility Consolidated and ASB Adjusted Net Income represent HEI consolidated, Utility consolidated and ASB GAAP net income for 2017 adjusted for the item described further below, respectively. These Adjusted Net Income metrics are non-GAAP measure. For a reconciliation of the GAAP and non-GAAP results, see "Reconciliation of GAAP to Non-GAAP Measures: Incentive Compensation Adjustments" attached as Exhibit B.

2

Utility Operations is a composite of five utility operational goals weighted in the same proportion for which they are weighted for utility executives. Utility Operations includes the five operational goals that applied to Mr. Oshima in 2017 (Utility Consolidated Operation and Maintenance Expense, Utility Consolidated SAIDI, Utility Consolidated Customer Satisfaction, Utility Consolidated Safety and Utility Transformation Metrics, which applied to HEI executives and to utility executives. Utility Transformation Metrics focuses on achievement of the utility's transformation goals. Mr. Oshima approves the Transformation milestones under

this metric and determines the aggregate performance at the end of the performance period. For 2017, the Utility Transformation milestones focused on the areas of culture transformation, customer experience, distribution circuit reliability, electrification of transportation and communication. The Utility Transformation goal was achieved at target for 2017, meaning that all milestones were achieved. For HEI executives the weightings of the components of Utility Operations were as follows: Utility Consolidated Operation and Maintenance Expense 6.82%, Utility Consolidated SAIDI 4.55%, Utility Consolidated Customer Satisfaction 2.27%, Utility Consolidated Safety 2.27%, and Utility Transformation 9.09%.

3

Utility Consolidated Operation and Maintenance Expense represents non-fuel expenses of the consolidated utilities excluding expenses covered by surcharges or that are otherwise neutral to net income.

4

Utility Consolidated SAIDI is measured by the average outage duration for each customer served, exclusive of catastrophic events and outages caused by independent power producers, over whose plant maintenance and reliability the utility has limited real-time control.

5

Utility Consolidated Customer Satisfaction is based on quarterly results of customer surveys conducted by an outside vendor.

6

Utility Consolidated Safety is measured by Total Cases Incident Rate (TCIR), a standard measure of employee safety. TCIR equals the number of Occupational Safety and Health Administration recordable cases as of 12/31/17 × 200,000 productive hours divided by productive hours for the year. The lower the TCIR the better.

7

ASB ROA is ASB's adjusted net income divided by its average total assets for the period. Average total assets is calculated by averaging the total assets for each day in the period.

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Non-GAAP Net Income Metrics 2017 Annual Incentive

HEI Consolidated's, Utility Consolidated's and ASB's Adjusted Net Income metrics for 2017 annual incentive compensation were calculated on a non-GAAP basis because the Compensation Committee determined that the impacts associated with the recently enacted tax reform legislation should not be considered in determining performance under those metrics. The Compensation Committee deemed this to be appropriate since such amounts were for extraordinary events unrelated to HEI, Hawaiian Electric or ASB managements' actions regarding ongoing business operations and taking such factors into account thus would be inconsistent with the original intent and nature of the award.

Due to the exclusion of such amounts, for purposes of the 2017 EICP $14.2 million, $9.2 million and $(1.0 million) was added to HEI Consolidated's, Utility Consolidated's and ASB's 2017 GAAP net income, respectively, to determine HEI Consolidated's, Utility Consolidated's and ASB's Adjusted Net Income. See "Reconciliation of GAAP to Non-GAAP Measures: Incentive Compensation Adjustments," attached as Exhibit B.

The following chart shows how % of Target Achieved from the table above is converted into a dollar value for each named executive officer. The payout amounts are also shown in the "Nonequity Incentive Plan Compensation" column of the "2017 Summary Compensation Table" on page 48. The range of possible annual incentive payouts for 2017 is shown in the "2017 Grants of Plan-Based Awards" table on page 50.

Name	Target Opportunity (% of base salary)		Base Salary ($)		Target Opportunity ($)		Total Achieved as a % of Target Opportunity (%)		2017 Actual Annual Incentive Payout ($)1
Constance H. Lau	100	×	893,533	=	893,533	×	112	=	999,774
Gregory C. Hazelton	60	×	487,500	=	292,500	×	112	=	327,163
Alan M. Oshima	75	×	655,583	=	491,687	×	70	=	345,164
Richard F. Wacker	80	×	660,000	=	528,000	×	200	=	1,056,000

1

Figures may not calculate to the amount shown in 2017 Actual Annual Incentive Payout due to rounding of the Total Achieved as a % of Target. Total Achieved as a % of Target was rounded for ease of presentation.

Long-term incentives

Long-term incentives include performance-based opportunities under HEI's LTIP, which is based on achievement of performance goals over rolling three-year periods, and time-vested RSUs, which vest over a four-year period. The performance-based LTIP represents the majority of each named executive officer's long-term incentive opportunity. These incentives are designed to directly tie executive interests with those of shareholders by rewarding executives for long-term value growth.

Long-term performance-based incentives

The three-year performance periods foster a long-term perspective and provide balance with the shorter-term focus of the annual incentive program. In addition, the overlapping three-year performance periods encourage sustained high levels of performance because at any one time three separate potential awards are affected by current performance.

Similar to the annual incentives, in developing long-term incentives, the Compensation Committee determines the target incentive opportunity for each executive, performance metrics and goals for the three-year period.

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2017-19 target long-term incentive opportunity

As with the annual incentives, the target long-term incentive opportunity is a percentage of base salary, with the threshold and maximum opportunities equal to 0.5 times and 2 times target, respectively. In establishing the target percentage for each executive, the Compensation Committee considers the mix of pay elements, competitive market data, internal equity, performance and other factors described above under "Base salary."

For the 2017-19 period, the Compensation Committee made no changes to the target incentive opportunities as a percentage of base salary for Ms. Lau, and Messrs. Hazelton, Oshima, Wacker and Ajello, as it determined that their target long-term incentive opportunities from the prior performance period remained appropriate at 160%, 80%, 95%, 80% and 80%, respectively. See table on page 31.

2017-19 performance metrics and goals

The performance metrics for long-term incentives are chosen for their direct relation to creating long-term value for shareholders.

In addition to selecting performance metrics, the Compensation Committee determines the level of achievement required to attain threshold, target and maximum performance for each metric. The same principles the Compensation Committee applies to annual incentive goals apply to long-term incentive goals. As such, the level of difficulty of the goals reflects the Compensation Committee's belief that incentive pay should be motivational that is, the goals should be challenging but achievable and that such pay should be balanced with reinvestment in the Company and return to shareholders. Consistent with this approach, the Compensation Committee believes threshold should represent solid performance with positive financial/operating results, target should denote achievable goals that include a stretch factor and maximum should signify truly exceptional performance.

The target level for financial goals, such as total shareholder return relative to the EEI (Relative TSR) three-year average annual earnings per share (EPS) growth and three-year return on average common equity (ROACE), relate to the levels the Company seeks to achieve over the performance period. In setting the threshold and maximum levels, the Compensation Committee considers whether the risks to accomplishing those levels weigh more heavily toward the downside and how challenging it would be to achieve incremental improvements over the target result. For the 2017-19 period, the Compensation Committee chose the metrics and goals in the following chart to encourage long-term achievement of earnings and growth in shareholder value.

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2017-19 Long-Term Incentive Performance Metrics & Why We Use Them	Weighting	Goals Threshold	Target	Maximum
Lau, Hazelton and Ajello				
HEI 3-year Average Annual EPS Growth1 promotes shareholder value by focusing on EPS growth over a three-year period.	30%	1.0%	3.0%	5.0%
HEI ROACE2 measures profitability based on net income returned as a % of average common equity.	50%	8.5%	9.4%	10.1%
HEI Relative TSR3 compares the value created for HEI shareholders to that created by other investor-owned electric companies (EEI Index).	20%	30th percentile	50th percentile	75th percentile
Oshima				
Utility 3-year Average Annual EPS Growth4 promotes shareholder value by focusing on EPS growth over a three-year period.	30%	1.0%	3.0%	5.0%
Utility 3-year ROACE as a % of Allowed Return5 measures the performance of the utility and its subsidiaries in attaining the level of ROACE they are permitted to earn by their regulator. The focus on ROACE encourages improved return compared to the cost of capital.	50%	70%	80%	90%
HEI Relative TSR3 compares the value created for HEI shareholders to that created by other investor-owned electric companies (EEI Index).	20%	30th percentile	50th percentile	75th percentile
Wacker				
ASB Return on Equity6 is ASB's adjusted net income divided by its average equity for the period.	40%	9.0%	10.0%	11.0%
ASB Efficiency Ratio, for Year-End 20197 promotes expense control.	40%	63%	60%	58.5%
HEI Relative TSR3 compares the value created for HEI shareholders to that created by other investor-owned electric companies (EEI Index).	20%	30th percentile	50th percentile	75th percentile

1

HEI 3-year Average Annual EPS Growth is calculated by taking the sum of each full calendar year's (2017, 2018 and 2019, respectively) EPS percentage growth over the EPS of the prior year and dividing that sum by 3.

2

HEI ROACE is calculated as the simple average of HEI 3-year ROACE calculated on an annual basis (2017, 2018 and 2019), with net income and common equity adjusted for exclusions the Compensation Committee allows.

3

HEI Relative TSR compares HEI's TSR to that of the companies in the EEI Index. For LTIP purposes, TSR is the sum of the growth in price per share of HEI common stock as measured at the beginning of the performance period to the end, calculated using the share price on the last trading day of December at the end of the performance period, plus dividends during the period, assuming reinvestment, divided by the share price on the last trading day of December immediately prior to the beginning of the performance period.

4

Utility 3-year Average Annual EPS Growth is calculated by taking the sum of each full calendar year's (2017, 2018 and 2019, respectively) EPS percentage growth over the EPS of the prior year and dividing that sum by three. For purposes of this goal, Utility EPS is calculated using Utility net income divided by weighted average HEI Common Stock outstanding.

5

Utility 3-year ROACE as a % of Allowed Return is the utility's consolidated average ROACE for the performance period compared to the weighted average of the allowed ROACE for the utility and its subsidiaries as determined by the Hawaii Public Utilities Commission for the same period.

6

ASB adjusted net income and average equity are averages over the performance period of ASB's GAAP information, adjusted for exclusions allowed by the Compensation Committee.

7

ASB Efficiency Ratio for 2019 is equal to ASB's total noninterest expense for year ended December 31, 2019 divided by the sum of net interest income and noninterest income for the year ended December 31, 2019.

Customers, employees and shareholders all benefit when the above goals are met. Achievement of these goals makes HEI, the utility and the bank stronger financially, enabling HEI to raise capital at favorable rates for reinvestment in the operating companies and supporting dividends to shareholders. From a historical perspective, long-term incentive payouts are not easy to achieve, nor are they guaranteed. HEI and its utility and bank subsidiaries face significant external challenges in the 2017-19 period. Extraordinary leadership on the part of the named executive officers will be needed to achieve the long-term objectives required for them to earn the incentive payouts.

2015-17 Long-Term Incentive Plan. The HEI Board and HEI Compensation Committee established the 2015-17 long-term incentive opportunities, performance metrics and goals in February 2015. Those decisions were described in the 2016 HEI Proxy Statement and are summarized again below to provide context for the results and payouts for the 2015-17 period.

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2015-17 target long-term incentive opportunity

In February 2015, the Compensation Committee established the following 2015-17 target incentive opportunities as a percentage of named executive officer base salary.

Name1	2015-17 Target Opportunity (as % of Base Salary)	2015-17 Target Opportunity (in dollars)
Constance H. Lau	160%	1,343,120
Alan M. Oshima	90%	509,850
Richard F. Wacker	80%	497,680
James A. Ajello	80%	336,000

1

Mr. Hazelton left HEI as VP Finance, Treasurer and Controller on June, 2015, and therefore forfeited his participation in the 2015-17 LTIP. Accordingly, Mr. Hazelton did not receive compensation under the 2015-2017 LTIP. Mr. Hazelton subsequently returned to HEI as Senior Vice President- Finance on October 24, 2016 and became Executive Vice President and Chief Financial Officer on April 2, 2017.

2015-17 performance metrics, goals, results & payouts

The Compensation Committee established the 2015-17 performance metrics and goals below in February 2015. The Compensation Committee selected the metrics for their correlation with long-term shareholder value and alignment with the multi-year strategic plans of HEI and its utility and bank subsidiaries. The chart below identifies the 2015-17 LTIP metrics, the objective each measure serves, the level of achievement required to attain the threshold, target and maximum levels for each metric, the results for 2015-17 and the corresponding payout as a percentage of target.

The results shown below incorporate the Compensation Committee's decision to exclude the impact of the unusual events that affected HEI, Hawaiian Electric and ASB during the 2015-17 period. These adjustments are described below under "Adjustments for unusual events 2015-17 LTIP."

2015-17 Long-Term Incentive Performance Metrics & Why We Use Them	Weighting	Goals			Result	% of Target Achieved
		Threshold	Target	Maximum		
Lau and Ajello*						
HEI 3-year Average Annual EPS Growth1 promotes shareholder value by focusing on EPS growth over a three-year period.	50%	2.2%	3.5%	4.5%	2.9%	
Weighted Composite of Utility (2/3) and ASB (1/3) 3-year ROACE2 measures profitability based on net	50%	8.0%	8.9%	9.8%	9.1%	100%

income returned as a % of average common equity.						
Oshima						
HEI 3-year Average Annual EPS Growth1 promotes shareholder value by focusing on EPS growth over a three-year period.	50%	2.2%	3.5%	4.5%	2.9%	
Utility 3-year ROACE as a % of Allowed Return3 measures the performance of the utility and its subsidiaries in attaining the level of ROACE they are permitted to earn by their regulator. The focus on ROACE encourages improved return compared to the cost of capital.	50%	73%	83%	93%	85%	98%
Wacker						
ASB Relative ROA4 compares how efficiently ASB deploys its assets compared to its performance peers (Bank Performance Peers).	50%	40th percentile	50th percentile	60th percentile	45th percentile	
ASB 3-year Average Net Income5 focuses on fundamental earnings growth, which correlates to shareholder value.	50%	$53.7M	$56.9M	$60.3M	$59.8M	129%

* *Mr. Hazelton did not receive compensation under the 2015-17 LTIP.*

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1

HEI 3-year Average Annual EPS Growth is calculated by taking the sum of each full calendar year's (2015, 2016 and 2017, respectively) EPS percentage growth over the EPS of the prior year and dividing that sum by 3. Non-GAAP adjusted net income, upon which EPS used for LTIP purposes is calculated, differs from what is reported under GAAP because it excludes the impact of the unusual events in 2014 through 2017 described below under "Adjustments for unusual events 2015-17 LTIP." For a reconciliation of the GAAP and non-GAAP results, see "Reconciliation of GAAP to Non-GAAP Measures: Incentive Compensation Adjustments" attached as Exhibit B.

2

Weighted Composite of Utility and ASB 3-year ROACE is the weighted composite of the utility's and ASB's ROACE, which calculation is average net income divided by average common equity for the period, with net income and common equity of Hawaiian Electric and ASB adjusted for exclusions the Compensation Committee allows for utility and ASB results. For purposes of this metric, the utility is weighted two-thirds (2/3) and ASB is weighted one-third (1/3). Non-GAAP adjusted net income used in the computation of ROACE differs from what is reported under GAAP because it excludes the impact of the unusual events in 2015 through 2017 described below under "Adjustments for unusual events 2015-17 LTIP." For a reconciliation of the GAAP and non-GAAP results, see "Reconciliation of GAAP to Non-GAAP Measures: Incentive Compensation Adjustments" attached as Exhibit B.

3

Utility 3-year ROACE as a % of Allowed Return is the utility's consolidated average ROACE for the performance period compared to the weighted average of the allowed ROACE for the utility and its subsidiaries as determined by the Hawaii Public Utilities Commission for the same period. Non-GAAP adjusted net income used in the computation of ROACE differs from what is reported under GAAP because it excludes the impact of the unusual events in 2015 through 2017 described below under "Adjustments for unusual events 2015-17 LTIP." For a reconciliation of the GAAP and non-GAAP results, see "Reconciliation of GAAP to Non-GAAP Measures: Incentive Compensation Adjustments" attached as Exhibit B.

4

ASB Relative ROA represents how ASB's ROA compared to the ROA of the Bank Performance Peers during the performance period. The result is obtained by (i) comparing ASB's ROA to the ROA of the Bank Performance Peers for each year in the period, resulting in a percentile ranking and (ii) taking the average of ASB's ranking for the three years. ROA is ASB's non-GAAP adjusted net income divided by average total assets for the year, with ASB's net income adjusted for exclusions allowed by the Compensation Committee. Average total assets is determined by averaging the daily total assets for each day of the year. Non-GAAP adjusted net income differs from what is reported under GAAP because it excludes the impact of the unusual events in 2015 through 2017 described below under "Adjustments for unusual events 2015-17 LTIP." For a reconciliation of the GAAP and non-GAAP results, see "Reconciliation of GAAP to Non-GAAP Measures: Incentive Compensation Adjustments" attached as Exhibit B.

5

ASB 3-year Average Net Income is the average of ASB's adjusted net income for 2015 through 2017. Non-GAAP adjusted net income differs from what is reported under GAAP because it excludes the impact of the unusual events in 2015 through 2017 described below under "Adjustments for unusual events 2015-17 LTIP." For a reconciliation of the GAAP and non-GAAP results, see "Reconciliation of GAAP to Non-GAAP

Measures: Incentive Compensation Adjustments" attached as Exhibit B.

The following chart shows how % of Target Achieved from the chart above is converted into a dollar value for each named executive officer. The payout amounts are also shown in the "Nonequity Incentive Plan Compensation" column of the "2017 Summary Compensation Table" on page 48.

Name*	Target Opportunity (% of 2015 base salary)		2015 Base Salary ($)		Target Opportunity ($)		Total Achieved as a % of Target (%)		2015-17 Incentive Payout ($)1
Constance H. Lau	160	×	839,450	=	1,343,120	×	100	=	1,337,381
Alan M. Oshima	90	×	566,500	=	509,850	×	98	=	502,006
Richard F. Wacker	80	×	622,100	=	497,680	×	129	=	643,252
James A. Ajello2	80	×	420,000	=	336,000	×	100	=	334,564

*

Mr. Hazelton did not receive compensation under the 2015-17 LTIP.

1

Figures may not calculate to the amount shown in 2015-17 Incentive Payout column due to rounding of the Total Achieved as a % of Target. Total Achieved as a % of Target was rounded for ease of presentation.

2

Mr. Ajello's base salary shown at 75% as he was eligible for 27 months out of 36 months 2015-2017 LTIP.

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Adjustments for unusual events 2015-17 LTIP

The Compensation Committee considers adjustments to performance results with caution and only in circumstances that are unforeseen and/or unique or extraordinary. The Compensation Committee recognizes that the two operating subsidiaries are heavily regulated and external forces can impact incentive plans significantly. The Compensation Committee is mindful of only considering adjustments that are warranted and will also serve the long-term interests of shareholders.

HEI. In determining HEI consolidated net income for 2014, 2015, 2016 and 2017 for purposes of calculating HEI 3-year EPS growth under the 2015-17 LTIP, the Compensation Committee considered the impact of the 2017 tax reform legislation. In addition to the 2017 tax reform impacts at ASB and Hawaiian Electric (see below), 2017 tax reform had a $6.0 million negative impact on HEI results. The Compensation Committee deemed it appropriate to exclude the impact of the 2017 tax reform legislation because such impact was for extraordinary events unrelated to management's actions regarding ongoing business operations. The adjustments described on page 39 of HEI's 2017 Proxy Statement with respect to HEI's 2016 results for purposes of the 2016 EICP were applied in calculating HEI 3-year EPS growth, as the positive impact of $58.2 million of income related to the terminated merger with NextEra Energy and cancelled spin-off of ASB Hawaii, Inc., along with the merger-related expenses incurred by HEI of $15.2 million in 2015 and $4.9 million in 2014, should not be considered in determining performance under the metrics. These merger-and spin-off related income and expense were for an extraordinary event unrelated to HEI or Hawaiian Electric managements' actions regarding ongoing business operations. See below under ASB and Hawaiian Electric for all other items impacting HEI consolidated net income.

ASB. In determining ASB's 2015, 2016 and 2017 net income and ROA performance and the ASB portion of the Weighted Composite of Utility ($^2/_3$) and ASB ($^1/_3$) 3-year ROACE ("Weighted Composite ROACE") for purposes of the 2015-17 LTIP, the Compensation Committee considered the impact of the 2017 tax reform legislation and the effect of ASB's initiative to eliminate risk associated with the pension liability and volatility of pension expense for its frozen pension plan through a process called "defeasement," which matches asset and liability movements. Because the Company calculates net periodic pension cost using a market-related value of plan assets, the favorable accounting impact of the defeasement is diminished. Pension defeasement had a negative impact on ASB's net income of $0.4 million, $0.3 million and $0.7 million for 2015, 2016 and 2017, respectively. The Compensation Committee deemed it appropriate to exclude defeasement amounts for purposes of determining ASB's net income for the 2015-17 LTIP because the Company's consolidated asset valuation method diminished the positive accounting impacts of the defeasement. Over time the defeasement is expected to benefit shareholder value by reducing ASB's need to provide additional funds to satisfy its pension obligations. The tax reform and related net positive impact amounted to $1.0 million for 2017 and was excluded in the calculation of the 2015-17 3-year annual EPS growth.

Hawaiian Electric. In determining Hawaiian Electric's 2015, 2016 and 2017 net income and common equity for the ROACE as a % of Allowed Return and the utility portion of the Weighted Composite ROACE for purposes of the 2015-17 LTIP, the Compensation Committee considered the impacts of the 2017 tax reform legislation and the effect of reversion of RAM to the lagged method of revenue recognition. The tax reform and the reversion of RAM to the lagged method of revenue recognition had negative impacts on Hawaiian Electric's 2017 net income of $9.2 million and $13.9 million, respectively, and were excluded for purposes of the ROACE as a % of Allowed Return and utility portion of the Weighted Composite ROACE calculation. The Compensation Committee deemed it appropriate to exclude the impact of the 2017 tax reform legislation because such impacts were for extraordinary events unrelated to management's actions regarding ongoing business operations and the reversion of RAM to the lagged method of revenue recognition because of its nature as a regulatory policy change that was not anticipated or foreseen at the time the performance goals were established.

The adjustments described on pages 42-43 of HEI's 2016 Proxy Statement with respect to Hawaiian Electric's 2015 results for purposes of the 2013-15 LTIP were applied in each of 2015, 2016 and 2017 in calculating the 2015-17 LTIP Weighted Composite ROACE, as the events leading to those adjustments were not contemplated at the time the 2015-17 LTIP goals were established and were unrelated to Hawaiian Electric management's decisions and actions.

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The adjustments described on page 44 of HEI's 2017 Proxy Statement with respect to Hawaiian Electric's 2016 results for purposes of the 2014-16 LTIP were applied in calculating the 2015-17 LTIP Weighted Composite ROACE, as the events leading to those adjustments were not contemplated at the time the 2015-17 LTIP goals were established and were unrelated to Hawaiian Electric management's decisions and actions. In addition, $0.5 million in merger integration expenses incurred by Hawaiian Electric in 2015, $2.2 million of merger-related expenses after-tax incurred by Hawaiian Electric in 2016, including costs related to Hawaiian Electric's terminated LNG contract, which was conditioned on PUC approval of the merger should not be considered. The Compensation Committee deemed the exclusion of these expenses to be appropriate in light of the termination of the merger agreement and the associated cessation of LNG efforts and because such amounts were for extraordinary events unrelated to HEI or Hawaiian Electric managements' actions regarding ongoing business operations.

See "Reconciliation of GAAP to Non-GAAP Measures: Incentive Compensation Adjustments," attached as Exhibit B.

2016-18 Long-Term Incentive Plan. HEI's 2016-18 long-term incentive plan was described on pages 39-41 of the 2017 Proxy Statement.

Restricted stock units

HEI named executive officers are eligible to receive annual equity-based grants in the form of RSUs that vest over a four-year period. RSUs offer executives the opportunity to receive shares of HEI Common Stock when the restrictions lapse, generally subject to continued employment with the Company through vesting.

The value of the annual RSU grant is a percentage of the executive's base salary as shown on page 31. These awards are designed to focus executives on creating long-term value for the Company's stakeholders. Since they take four years to fully vest, the RSUs also promote retention. The RSUs vest and convert to shares of HEI Common Stock in four equal annual installments beginning one year from the date of grant (plus compounded dividend equivalent shares on the installment that vested in such year).

The 2017 RSU grants are set forth in the "2017 Grants of Plan-Based Awards" table on page 50.

Benefits

Retirement and savings plans

HEI, Hawaiian Electric and ASB provide retirement benefits to the named executive officers to promote financial security in recognition of years of service and to attract and retain high-quality leaders.

HEI and Hawaiian Electric employees (including each named executive officer employed by HEI or Hawaiian Electric), but not ASB employees, are eligible to participate in the HEI Retirement Plan, which is a tax-qualified defined benefit pension plan, and to save for retirement on a tax-deferred basis through HEI's Retirement Savings Plan, a tax-qualified defined contribution 401(k) plan, which does not provide non-elective employer contributions for any participants and does not provide matching contributions for participants who joined participating employer before May 1, 2011. In 2011, HEI amended the HEI Retirement Plan and HEI Retirement Savings Plan to create a new benefit structure for employees hired on or after May 1, 2011. Employees covered by the new benefit structure receive a reduced pension benefit under the HEI Retirement Plan, but are eligible for limited matching contributions under the HEI Retirement Savings Plan. These changes were intended to lower the cost of pension benefits over the long term. Messrs. Hazelton and Oshima each joined the Company after May 1, 2011 and are eligible to receive matching contributions under the amended HEI Retirement Savings Plan. Ms. Lau and Mr. Ajello were not eligible for and did not receive matching contributions under that plan, since they joined the Company prior to May 1, 2011.

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Additional retirement benefits that cannot be paid from the HEI Retirement Plan due to Internal Revenue Code limits are provided to named executive officers and other executives employed by HEI and Hawaiian Electric through the nonqualified HEI Excess Pay Plan. Benefits under the HEI Excess Pay Plan are determined using the same formula as the HEI Retirement Plan, but are not subject to the Internal Revenue Code limits on the amount of annual compensation that can be used for calculating benefits under qualified retirement plans and on the amount of annual benefits that can be paid from qualified retirement plans. This allows those participating in the HEI Excess Pay Plan a total retirement benefit at the same general percentage of final average pay afforded to other employees under the HEI Retirement Plan.

ASB's employees, including its president and CEO (who is a named executive officer), may participate in the ASB 401(k) Plan, a tax-qualified defined contribution 401(k) plan. After an employee has completed one year of service, ASB matches the employee's contributions on a dollar-for-dollar basis up to 4% of eligible compensation deferred. In 2017, eligible compensation was capped at $270,000. ASB also provides discretionary, nonelective profit sharing contributions to the accounts of employees who are employed on the last day of the plan year or terminate employment during the plan year because of retirement, death or disability. Mr. Wacker received matching contributions and a profit sharing contribution under the plan in 2017, in each case limited to the amount permitted based on eligible compensation.

Retirement benefits are discussed in further detail in the "2017 Pension Benefits" table and related notes on pages 53-54.

Deferred compensation plans

HEI provides named executive officers and other executives the opportunity to participate in plans that allow them to defer compensation and the resulting tax liability.

Executives of HEI and Hawaiian Electric and directors of HEI, Hawaiian Electric and ASB may participate in the HEI Deferred Compensation Plan, a nonqualified deferred compensation plan implemented in 2011 that allows the deferral of portions of the participants' cash compensation, with certain limitations, and provides investment opportunities that are substantially similar to those available under HEI's Retirement Savings Plan. There are no matching or other employer contributions under this plan. Mr. Ajello deferred compensation in the HEI Deferred Compensation Plan in 2017. HEI and Hawaiian Electric executives were also eligible to defer payment of annual and long-term incentive awards and the resulting tax liability under a prior nonqualified deferred compensation plan, although no named executive officer deferred compensation in that plan in 2017.

The American Savings Bank Select Deferred Compensation Plan (ASB Deferred Compensation Plan) is a nonqualified deferred compensation plan that allows senior members of ASB management to defer up to 100% of current salary, annual bonus and commissions. Pursuant to a 2009 amendment, the plan provides for employer matching contributions and profit sharing contributions. These matching and profit sharing contributions take into account compensation which is excluded from consideration under the ASB 401(k) Plan, including on account of being contributed to the Select Deferred Compensation Plan or being in excess of limits on eligible compensation imposed by the Internal Revenue Code. Ms. Lau participated in the ASB Select Deferred Compensation Plan during her employment with ASB. Mr. Wacker did not elect to defer compensation under such plan in 2017, but did receive a profit sharing contribution to his account under the plan for the amount that could not be contributed to his 401(k) Plan account due to Internal Revenue Code limits on eligible compensation. Such profit sharing contribution is included in the "All Other Compensation" column of the "2017 Summary Compensation Table" on page 48.

Deferred compensation benefits are discussed in further detail in the "2017 Nonqualified Deferred Compensation" table and related notes on page 55.

Executive Death Benefit Plan (frozen since 2009)

In September 2009, HEI froze the Executive Death Benefit Plan of HEI and Participating Subsidiaries, which provides death benefits to an executive's beneficiaries following the executive's death while employed or after retirement. As part of the freeze, HEI closed the plan to new participants and ceased all benefit accruals for current participants (i.e., there will be no increase in death benefits due to salary increases after

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September 9, 2009). Under contracts with plan participants in effect before September 9, 2009, the death benefits were grossed up for tax purposes. This treatment was considered appropriate because the executive death benefit is a form of life insurance and traditionally life insurance proceeds have been excluded from income for federal tax purposes. Ms. Lau and Mr. Ajello are covered under the Executive Death Benefit Plan. Messrs. Hazelton and Oshima are not covered under the plan because they joined HEI after the plan was frozen. Mr. Wacker also joined ASB after the plan was frozen, and ASB was not a participating employer in the plan in any event. Death benefits are discussed in further detail in the "2017 Pension Benefits" table and related notes on pages 53-54.

Double-trigger change-in-control agreements

The Compensation Committee and Board consider change-in-control agreements to be an appropriate tool to recruit executives as an expected part of their compensation package, to encourage the continued attention of key executives to the performance of their duties without distraction in the event of a potential change in control and to assist in retaining key executives. Change-in-control agreements can protect against executive flight during a transaction when key executives might, in the absence of the agreement, leave the Company and accept employment elsewhere. As of December 31, 2017, Ms. Lau and Messrs. Hazelton and Wacker each had a change-in-control agreement.

All of the change-in-control agreements are double trigger, which means that they provide for cash severance and other benefits only upon a qualifying termination of the executives' employment following a change in control. In determining the amount an executive is eligible to receive in such an event, the Compensation Committee takes into account the executive's expected role in a potential transaction, value to the organization and internal equity. The agreements approved by the Compensation Committee provide for a cash lump sum payment of three times base salary plus annual incentive for Ms. Lau and two times base salary plus annual incentive for Messrs. Hazelton and Wacker. The annual incentive pay used in calculating the severance payment is the greater of the current annual incentive target or the largest actual annual incentive payout during the preceding three fiscal years. Aggregate payments under these agreements are limited to the maximum amount deductible under Section 280G of the Internal Revenue Code and there are no tax gross ups with respect to payments under these agreements. Payment of the severance benefits is conditioned on the Company receiving a release of claims by the executive.

The change-in-control agreements have initial terms of two years and automatically renew for an additional year on each anniversary unless 90 days' notice of nonrenewal is provided by either party, so that the protected period is at least one year upon nonrenewal. The agreements remain in effect for two years following a change in control. The agreements define a change in control as a change in ownership of HEI, a substantial change in the voting power of HEI's securities or a change in the majority of the composition of the Board following consummation of a merger, tender offer or similar transaction. The agreement for Mr. Wacker also defines a change in control as a change in ownership of ASB. Change-in-control benefits are discussed in further detail in the "Potential Payments Upon Termination or Change in Control" section and related notes on pages 56-57.

Minimal perquisites

HEI provides minimal other compensation to the named executive officers in the form of perquisites because such items are commonly provided to business executives in Hawaii, such as club memberships primarily for the purpose of business entertainment, or are necessary to recruit executives, such as relocation expenses or extra weeks of vacation. In 2017, each named executive officer had a Company-paid club membership for the primary purpose of business entertainment expected of executives in their positions. Mr. Hazelton received four weeks of vacation in 2017, which was more than other employees with similar length of service typically receive. Mr. Wacker received 28 days of paid time off in 2017, which is more than ASB employees with similar length of service below the senior vice president level receive.

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No new tax gross ups

HEI has eliminated nearly all tax gross ups. There are no tax gross ups on club membership initiation fees or membership dues, or in the change-in-control agreements for the named executive officers who have such agreements. As discussed under "Executive Death Benefit Plan," tax gross ups of death benefits only apply to executives who participated in the Executive Death Benefit Plan before it was frozen in 2009.

Additional policies and information

Our programs are designed to guard against excessive risk

HEI's compensation policies and practices are designed to encourage executives to build value for all stakeholders, including shareholders, customers and employees, and to discourage decisions that introduce inappropriate risks.

HEI's Enterprise Risk Management (ERM) function is principally responsible for identifying and monitoring risk at the holding company and its subsidiaries, and for reporting on high risk areas to the Board and designated Board committees. As a result, all HEI directors, including those who serve on the Compensation Committee, are apprised of risks that could have a material adverse effect on HEI.

Risk assessment. On an annual basis, the Compensation Committee and its independent compensation consultant review a risk assessment of compensation programs in place at HEI and its subsidiaries for all employees, which is updated annually by the Company's ERM function. Based on its review of the risk assessment of compensation programs in place in 2017 and consultation with FW Cook, the Compensation Committee believes that the Company's compensation plans do not encourage risk taking that is reasonably likely to have a material adverse effect on the Company.

Risk mitigation features of our programs. Our compensation programs incorporate the following features to promote prudent decision-making and guard against excessive risk:

- Financial performance objectives for the annual incentive program are linked to Board-approved budget guidelines, and nonfinancial measures (such as customer satisfaction, reliability and safety) are aligned with the interests of all HEI stakeholders.

- An executive compensation recovery policy ("clawback policy") permits recoupment of performance-based compensation paid to executives found personally responsible for fraud, gross negligence or intentional misconduct that causes a significant restatement of HEI's financial statements.

- Annual and long-term incentive awards are capped at maximum performance levels.

- Financial opportunities under long-term incentives are greater than those under annual incentives, emphasizing the importance of long-term outcomes.

- Share ownership and retention guidelines, requiring named executive officers to hold significant amounts of HEI stock, promote a shared interest in HEI's long-term performance.

- In typical circumstances long-term incentive payouts have been 100% equity-based, so executives share in the same upside potential and downside risk as all shareholders. In light of the then-pending merger with NextEra Energy, however, the Compensation Committee decided to provide for the 2015-17 and 2016-18 LTIPs to be settled in cash in lieu of HEI common stock. The

Compensation Committee determined that the Company's stock price might be affected at least in part by merger considerations unrelated to the Company's true operating performance and that, as a result, the compensatory goals of the LTIPs would be better served by a cash settlement. Since the merger did not occur and the merger agreement between HEI and NextEra Energy was terminated in July 2016, the Compensation Committee determined that the 2017-19 LTIP would be granted 100% in HEI common stock.

Annual grants of RSUs and long-term incentives vest over a period of years to encourage sustained performance and executive retention.

Performance-based plans use a variety of financial metrics (e.g., net income, ROACE) and nonfinancial performance metrics that correlate with long-term

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creation of shareholder value and are impacted by management decisions.

The Compensation Committee and Board continuously monitor risks faced by the enterprise, including through management presentations at quarterly meetings and through periodic written reports from management.

Share ownership and retention are required throughout employment with the Company

HEI named executive officers are required to own and retain HEI stock throughout employment with the Company. Each officer subject to the requirements has until January 1 of the year following the fifth anniversary of the later of (i) amendment to his or her required level of stock ownership or (ii) first becoming subject to the requirements (compliance date) to reach the following ownership levels:

Position	Value of Stock to be Owned
HEI President & CEO	5x base salary
Other Named Executive Officers	2x base salary

The compliance dates were January 1, 2015 for Ms. Lau, and January 1, 2016 for Messrs. Ajello and Wacker, and are January 1, 2020 for Mr. Oshima and January 1, 2022 for Mr. Hazelton. Ms. Lau and Messrs. Ajello and Wacker exceeded the specified level of stock ownership for their positions by the time of their respective compliance dates.

Until reaching the applicable stock ownership target, officers subject to the requirements must retain all shares received in payout under the LTIP and 20% of shares received through the vesting of restricted stock or RSUs. The Compensation Committee has the authority to approve hardship exceptions to these retention requirements.

Hedging and pledging are prohibited

The Company's Insider Trading Policy, among other prohibitions, prohibits all directors, officers and employees of HEI and its subsidiaries (as well as the spouses, minor children, adult family members sharing the same household and any other person for whom the director, officer or employee exercises substantial control over such person's securities trading decisions) from trading in options, warrants, puts, calls or similar instruments on Company securities, making short sales in Company securities, holding Company securities in margin accounts or pledging Company securities.

Clawback policy applies to performance-based pay

HEI has a formal executive compensation clawback policy that applies to any performance-based compensation awarded to an executive officer. Under that policy, in the event the financial statements of HEI or any of its subsidiaries are significantly restated, the Compensation Committee and Board will review the circumstances that caused the need for the restatement and determine whether fraud, gross negligence or intentional misconduct were involved. If so, the Board may direct the Company to recover all or a portion of any performance-based award from the executive officer(s) found personally responsible. The SEC has issued proposed rules concerning clawback policies pursuant to the Dodd-Frank Act. HEI will amend its clawback policy to ensure it is consistent with the final rules as and when required.

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The Compensation Committee considers tax and accounting impacts on compensation

In designing compensation programs, the Compensation Committee considers tax and accounting implications of its decisions, along with other factors described in this Proxy Statement.

Tax matters. Section 162(m) of the Internal Revenue Code generally limits to $1 million annually the federal income tax deduction that a publicly held corporation may claim for compensation payable to certain of its current executive officers, but that deduction limitation historically did not apply to performance-based compensation that met certain requirements. As part of the tax reform legislation passed in December 2017, Section 162(m) was amended, effective for taxable years beginning after December 31, 2017, to expand the group of executive officers subject to the deduction limitation by including former covered executive officers and also to eliminate the performance-based compensation exception, though the exception generally continues to be available on a "grandfathered" basis to compensation payable under a written binding contract in effect on November 2, 2017.

In determining compensation for our executive officers, the Compensation Committee considers the extent to which the compensation is deductible, including the effect of Section 162(m). In prior years, the Compensation Committee generally sought to structure our executive incentive compensation awards so that they qualified as performance-based compensation exempt from the Section 162(m) deduction limitation where doing so was consistent with the company's compensation objectives, but it reserved the right to award nondeductible compensation. The Compensation Committee continues to evaluate the changes to Section 162(m) and their significance to the company's compensation programs, but in any event its primary focus in its compensation decisions will remain on most productively furthering the company's business objectives and not on whether the compensation is deductible.

Another tax consideration factored into the design of the Company's compensation programs is compliance with the requirements of Section 409A of the Internal Revenue Code, for which noncompliance can result in additional taxes on participants in deferred compensation arrangements. The new tax reform law did not change the requirements of Section 409A.

Accounting matters. In establishing performance goals for equity compensation, the Compensation Committee considers the impact of accounting rules, including relevant plan provisions that govern how discretion may be used. Accounting rules also prescribe the way in which compensation is expensed. For example, under GAAP, compensation is generally expensed when earned. Financial Accounting Standards Board Accounting Standards Codification Topic 718 generally requires that equity compensation awards be accounted for based on their grant date fair value and recognized over the relevant service periods. The Compensation Committee also has discretion in determining the level of achievement for the award and may determine that there should not be any incentive payout that would result solely from the adoption of a new accounting principle that affects a financial measure or vice versa.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee, which is composed solely of independent directors, has reviewed and discussed with management the foregoing Compensation Discussion and Analysis. Based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into HEI's Annual Report on Form 10-K for the year ended December 31, 2017 ("HEI's 2017 Form 10-K").

Compensation Committee
Thomas B. Fargo, Chairperson
Peggy Y. Fowler
Jeffrey N. Watanabe

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee consists of the three independent directors listed above under "Compensation Committee Report." No member of the Compensation Committee during 2017 was an employee or former employee of HEI. During 2017, no member of the Compensation Committee had a relationship that must be described under SEC rules regarding disclosure of related person transactions. In 2017, none of HEI's executive officers served on the compensation committee (or its equivalent) or board of directors of another entity, excluding tax-exempt organizations, where an executive officer of such an entity served on HEI's Compensation Committee or Board of Directors.

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EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The table on the following page shows total compensation for 2015-17 for named executive officers (NEOs) other than Mr. Hazelton and for 2016-17 for Mr. Hazelton (who was not a named executive officer in 2015).

Cash compensation earned for the applicable year is reported in the "Salary," "Nonequity Incentive Plan Compensation" and "All Other Compensation" columns (except see explanation in the following paragraph regarding the 2015-17 LTIP awards). For Mr. Hazelton, additional cash compensation is shown in the "Bonus" column, which represents the replacement of amounts he would have earned from his previous employer had he not rejoined HEI in October 2016. The Compensation Committee deemed payment of these amounts to be appropriate to recruit Mr. Hazelton.

For 2017, the "Stock Awards" column reflects: (i) the opportunity to earn shares of HEI common stock under the 2017-19 LTIP if performance metrics are achieved and (ii) RSUs that vest over 2017-20 and may be forfeited in whole or in part if the executive leaves before the vesting period ends.

For 2015 and 2016, the "Stock Awards" column reflects only RSUs granted in 2015 and 2016 since the 2015-17 and 2016-18 LTIPs were denominated in cash rather than in stock; this was due to the NextEra merger that was pending when the applicable award opportunities were established. HEI's return to exclusively equity-based long-term incentive compensation in 2017 impacts the amounts in the 2017 Summary Compensation Table. SEC rules require the 2015-17 LTIP cash payouts to be included in the table in 2017, the last year of the performance period (not the year in which awards are granted as is the case with equity-based awards). As a result, the 2017 amounts in the table include *both* the 2015-17 LTIP cash payouts and the 2017-19 equity-based LTIP and RSU awards granted in 2017, which is not reflective of 2017 target NEO compensation. By contrast, the 2015 and 2016 compensation amounts do not include any LTIP amounts because there were no LTIP cash payouts or equity-based LTIP awards granted in 2015 and 2016. Our LTIP programs and practices have not changed (i.e., one LTIP award covering a 3-year performance period is granted each year), however, due to the disclosure timing differences between cash and equity-based LTIPs, the amounts in the Summary Compensation Table for 2017 are notably higher than, and not comparable to, the reported amounts for 2015 and 2016, and are not reflective of 2017 NEO target compensation.

For the following selected NEOs, the total compensation amounts for 2017 without the 2015-17 "cash" LTIP payout and only including the 2017-19 "equity" LTIP award are as follows:

Name		2017 Total Compensation Without 2015-17 "cash" LTIP
Constance H. Lau	$	4,576,365
Gregory C. Hazelton	$	1,538,175
Alan M. Oshima	$	2,272,842
Richard F. Wacker	$	2,447,840

The "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column sets forth the change in value of pension and executive death benefits, which can fluctuate significantly from year-to-year based on changes in discount rates and other actuarial

assumptions and do not necessarily reflect the benefit to be received by the executive. "Total Without Change in Pension Value" shows total compensation as determined under SEC rules minus the change in pension value and executive death benefits.

The following chart shows 2017 "Total Without Change in Pension Value" excluding the 2015-17 "cash" LTIP and only including the 2017-19 "equity" LTIP award:

Name		2017 "Total Without Change in Pension Value" Without 2015-17 "cash" LTIP
Constance H. Lau	$	4,044,602
Gregory C. Hazelton	$	1,451,726
Alan M. Oshima	$	2,085,336
Richard F. Wacker	$	2,447,840

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2017 SUMMARY COMPENSATION TABLE

Name and 2017 Principal Positions	Year	Salary ($)1	Bonus ($)2	Stock Awards ($)3	Nonequity Incentive Plan Compensation ($)4	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)5	All Other Compensation ($)6	Total Without Change in Pension Value ($)7	Total ($)
Constance H. Lau	2017	893,533		2,151,295	2,337,155	531,763		5,381,983	5,913,746
HEI President & CEO	2016	864,700		648,531	1,182,753	364,325		2,695,984	3,060,309
ASB Chair	2015	839,450		629,588	1,246,773			2,715,811	2,715,811
Hawaiian Electric Chair									
Gregory C. Hazelton*	2017	487,500		597,967	327,163	86,449	39,096	1,451,726	1,538,175
HEI Executive Vice President & CFO	2016	84,836	256,670	508,320	70,169	16,711	115,210	1,035,205	1,051,916
Alan M. Oshima	2017	655,583		1,071,359	847,170	187,506	13,230	2,587,342	2,774,848
Hawaiian Electric President & CEO	2016	583,500		379,282	445,939	153,231	21,296	1,430,017	1,583,248
	2015	566,500		283,247	427,168	111,620	23,632	1,300,547	1,412,167
Richard F. Wacker	2017	660,000		679,044	1,699,252		52,796	3,091,092	3,091,092
ASB President & CEO	2016	640,800		128,151	693,012		47,281	1,509,244	1,509,244
	2015	622,100		124,433	627,503		48,634	1,422,670	1,422,670
James A. Ajello*	2017	145,642		785,602	344,564	235,893		1,265,808	1,501,701
	2016	576,800		288,386	473,375	252,377	16,092	1,354,653	1,607,030

Former HEI Executive Vice President & CFO	2015	560,000	280,008	499,037	106,029	15,224	1,354,269	1,460,298

*

Mr. Hazelton joined HEI as Senior Vice President, Finance on October 24, 2016 and was promoted to HEI Executive Vice President & CFO on April 2, 2017. Mr. Ajello retired on April 2, 2017.

1

Salary. *This column represents cash base salary received for the year. Mr. Hazelton's annualized 2016 salary of $450,000 was pro-rated based on the number of days he worked for HEI in 2016.*

2

Bonus. *This column represents non-salary cash payments that are not awarded under a nonequity incentive plan. In recruiting Mr. Hazelton to return to HEI, the Compensation Committee deemed it appropriate to provide replacement compensation for cash amounts Mr. Hazelton had to forfeit upon leaving his prior employer to rejoin HEI. The amount shown replaced annual incentive pay for 2016 and long-term incentive pay for 2015-17 and 2016-18 that Mr. Hazelton lost when leaving his prior employer.*

3

Stock Awards. *These amounts represent the aggregate grant date fair value of stock awards granted in the years shown computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718). For 2017, these amounts are composed of: (i) the opportunity (based on probable outcome of performance conditions (in this case, target) as of the grant date) to earn shares of HEI Common Stock in the future pursuant to the 2017-19 LTIP if pre-established performance goals are achieved and (ii) RSUs vesting in installments over a four-year period, and excludes the value of the 2015-17 and 2016-18 LTIP granted in those years. For 2015 and 2016, these amounts were comprised of RSUs granted in the year shown and vesting in installments over a four-year period (except in the case of Mr. Hazelton's 2016 RSUs). Since the 2015-17 LTIP is denominated in cash rather than in stock, in accordance with SEC rules, the cash payout, is reported in the "Nonequity Incentive Plan Compensation" column in this Summary Compensation Table in 2017. Since the 2016-18 LTIP is denominated in cash rather than in stock, in accordance with SEC rules, the cash payout (if any), will be reported in the "Nonequity Incentive Plan Compensation" column in the 2018 Summary Compensation Table. See the 2017 Grants of Plan-Based Awards table below for the portion of the amount in the Stock Awards column above that is composed of 2017 grants of RSUs and performance award opportunities under the 2017-19 LTIP. Assuming achievement of the highest level of performance conditions, the maximum value of the performance awards payable in 2020 under the 2017-19 LTIP would be: Ms. Lau $2,962,291; Mr. Hazelton $745,923; Mr. Oshima $1,290,493; Mr. Wacker $1,094,030; and in the case of Mr. Ajello, would have been $980,019 had he not retired from the Company in April 2017.*

For a discussion of the assumptions underlying the amounts set out for the RSUs and 2017-2019 LTIP, see Note 9 to the Consolidated Financial Statements in HEI's 2017 Form 10-K.

4

Nonequity Incentive Plan Compensation. *These amounts represent cash payouts to named executive officers under the annual incentive plan, the EICP, earned for the years shown. For 2017, the amount in this column also included the cash payout from the 2015-17 LTIP. Mr. Hazelton's 2016 EICP payout represents a*

pro-rata amount for the number of days he worked for HEI in 2016.

5

***Change in Pension Value and Nonqualified Deferred Compensation Earnings**. These amounts represent the change in present value of the accrued pension and executive death benefits from beginning of year to end of year for 2015, 2016 and 2017. These amounts are not current payments; pension and executive death benefits are only paid after retirement or death, as applicable. The amounts in this column depend heavily on changes in actuarial assumptions, such as discount rates. The increase in 2017 present value of pensions (and, for Ms. Lau and Mr. Ajello, executive death benefits) from 2016 was magnified by the decrease in discount rate and was partially offset by lower expected rates of improvement in the mortality tables based on Scale MP-2017 published by the Society of Actuaries. The 2016 present value of pensions (and, for Ms. Lau and Mr. Ajello, executive death benefits) increased from 2015 due to a lower discount rate and lower expected rates of improvement in the mortality tables based on Scale MP-2016 published by the Society of Actuaries. In 2015, the present value of Ms. Lau's pension and executive death benefit declined by $666,228; in accordance with SEC rules, this negative change in value is shown as no change in the chart above. For a further discussion of the applicable plans, see the 2017 Pension Benefits table and related notes below. No named executive officer had above-market or preferential earnings on nonqualified deferred compensation for the periods covered in the table above.*

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6

All Other Compensation. *The following table summarizes the components of "All Other Compensation" with respect to 2017:*

Name	***Contributions to Defined Contribution Plans ($)a***	***Other ($)b***	***Total All Other Compensation ($)***
*Constance H. Lau**			
Gregory C. Hazelton	*8,100*	*30,996*	*39,096*
Alan M. Oshima	*8,100*	*5,130*	*13,230*
Richard F. Wacker	*21,600*	*31,196*	*52,796*
*James A. Ajello**			

a

Mr. Wacker received matching contributions to his account in the ASB 401(k) Plan up to the amount permitted based on eligible compensation ($270,000 in 2017) and the portion of his 2017 profit sharing contribution based on eligible compensation. Messrs. Hazelton and Oshima received matching contributions to their accounts in the HEI Retirement Savings Plan up to the amount permitted based on eligible compensation ($270,000 in 2017).

b

Mr. Hazelton received club membership dues, had two more weeks of vacation than employees with similar length of service would usually receive and received relocation expense reimbursements. Mr. Oshima received club membership dues. Mr. Wacker received club membership dues, three more days of paid time off than ASB employees with similar length of service below the Senior Vice President level receive, and a profit sharing contribution to his account under the ASB Select Deferred Compensation Plan in the amount of his profit sharing contribution that could not be included in his ASB 401(k) Plan account due to limits on eligible compensation.

*

The total value of perquisites and other personal benefits for Ms. Lau and Mr. Ajello was less than $10,000 for 2017 and is therefore not included in the table above.

7

Total Without Change in Pension Value. *Total Without Change in Pension Value represents total compensation as determined under SEC rules, minus the change in pension value and executive death benefits amount reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column. We include this column because the magnitude of the change in pension value and death benefits in a given year is largely determined by actuarial assumptions, such as discount rates and mortality assumptions set by the Society of Actuaries, and does not reflect decisions made by the Compensation Committee for that year or the actual benefit necessarily to be received by the recipient. The amounts reported in the Total Without Change in Pension Value column may differ substantially from the amounts reported in the Total column and are not a substitute for the Total column.*

Additional narrative disclosure about salary, bonus, stock awards, nonequity incentive plan compensation, change in pension benefits and nonqualified deferred compensation earnings and all other compensation can be found in the Compensation Discussion and Analysis above.

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Grants of Plan-Based Awards

The table below shows cash performance award opportunities under the 2017 EICP, equity-based performance award opportunities granted under the LTIP for performance over the 2017-19 period and payable in 2020 and RSUs granted in 2017 and vesting in installments over four years.

2017 GRANTS OF PLAN-BASED AWARDS

		Estimated Future Payouts Under Nonequity Incentive Plan Awards1			Estimated Future Payouts Under Equity Incentive Plan Awards2			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock Awards
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)3	($)4
Constance H.	1/31/17 EICP	446,767	893,533	1,787,066					
Lau	1/31/17 LTIP				21,351	42,702	85,403		1,481,159
	1/31/17 RSU							20,016	670,136
Gregory C.	1/31/17 EICP	146,250	292,500	585,000					
Hazelton	1/31/17 LTIP				5,376	10,753	21,505		372,981
	1/31/17 RSU							6,720	224,986
Alan M.	1/31/17 EICP	245,844	491,687	983,375					
Oshima	1/31/17 LTIP				9,301	18,602	37,205		645,226
	1/31/17 RSU							12,728	426,133
Richard F.	1/31/17 EICP	264,000	528,000	1,056,000					
Wacker	1/31/17 LTIP				7,885	15,771	31,541		547,032
	1/31/17 RSU							3,943	132,012
James A.		177,365	354,730	709,460					

	1/31/17 EICP						
Ajello	1/31/17 LTIP	7,064	14,127	28,254			490,007
	1/31/17 RSU					8,829	295,595

EICP Executive Incentive Compensation Plan (annual incentive)

LTIP Long-Term Incentive Plan (2017-19 period)

RSU Restricted stock units

1

***Estimated Future Payouts Under Nonequity Incentive Plan Awards**. Shows possible cash payouts under the 2017 EICP based on meeting performance goals set in January 2017 at threshold, target and maximum levels. Actual payouts for the 2017 EICP are reported in the 2017 Summary Compensation Table above.*

2

***Estimated Future Payouts Under Equity Incentive Plan Awards**. Represents number of shares of stock that may be issued under the 2017-19 LTIP based upon the achievement of performance goals set in January 2017 at threshold, target and maximum levels and vesting at the end of the three-year performance period. LTIP awards are forfeited for terminations of employment during the vesting period, except for terminations due to death, disability or retirement, which allow for pro-rata participation based upon completed months of service after a minimum number of months of service in the performance period. Dividend equivalent shares, not included in the chart, are compounded over the period at the actual dividend rate and are paid at the end of the performance period based on actual shares earned. The share amounts listed for Mr. Ajello represent amounts he would have been eligible to receive, subject to achievement of the applicable performance goals, had he remained with the Company through the end of 2019. However, since he retired in April 2017, he is not eligible to receive 2017-19 LTIP share payout since he did not meet the minimum number of months of service in the performance period.*

3

***All Other Stock Awards: Number of Shares of Stock or Units**. Represents number of RSUs awarded in 2017 that will vest and be issued as unrestricted stock in four equal annual installments on the grant date anniversaries. Unvested awards are forfeited for terminations of employment during the vesting period, except for terminations due to death, disability or retirement, which allow for pro-rata vesting up to the date of termination. Receipt of RSU awards is generally subject to continued employment and expiration of the applicable vesting period. Dividend equivalent shares, not included in the chart, compound over the period at the actual dividend rate and are paid in HEI stock on RSUs vesting in a given year. The share amount listed for Mr. Ajello represents amounts he would have been eligible to receive, had he remained with the Company through the end of the applicable vesting period.*

4

***Grant Date Fair Value of Stock Awards**. Grant date fair value for shares under the 2017-19 LTIP is estimated in accordance with the fair-value based measurement of accounting, as described in FASB ASC Topic 718 based upon the probable (in this case, target) outcome of the performance conditions as of the grant date. For a discussion of the assumptions and methodologies used to calculate the amounts reported, see the discussion of performance awards contained in Note 9 (Share-based compensation) to the Consolidated Financial Statements in HEI's 2017 Form 10-K. Grant date fair value for RSUs is based on the closing price of HEI Common Stock on the NYSE on the date of the grant of the award.*

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Outstanding Equity Awards at 2017 Fiscal Year-End

		Stock Awards			
		Shares or Units of Stock That Have Not Vested1		Equity Incentive Plan Awards	
Name	Grant Year	Number (#)	Market Value ($)2	Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)3	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Constance H. Lau	2014	6,065	219,250		
	2015	9,330	337,280		
	2016	16,267	588,052		
	2017	20,016	723,578		
	2017			42,702	1,543,677
	Total	51,678	1,868,160	42,702	1,543,677
Gregory C. Hazelton	2016	12,069	436,294		
	2017	6,720	242,928		
	2017			10,753	388,721
	Total	18,789	679,222	10,753	388,721
Alan M. Oshima	2014	1,479	53,466		
	2015	4,197	151,722		
	2016	9,514	343,931		
	2017	12,728	460,117		
	2017			18,602	672,462
	Total	27,918	1,009,236	18,602	672,462
Richard F. Wacker	2014	1,199	43,344		
	2015	1,844	66,661		
	2016	3,214	116,186		
	2017	3,943	142,539		
	2017			15,771	570,122
	Total	10,200	368,730	15,771	570,122

1

Shares or Units of Stock That Have Not Vested*. The remaining installments of the 2014 RSUs vested on February 5, 2018. Of the remaining installments of the 2015 RSUs, one installment vested on February 6,*

2018 and the remainder will vest on February 6, 2019. Of the remaining installments of the 2016 RSUs for Ms. Lau and Messrs. Oshima and Wacker, one installment vested on February 5, 2018 and the remainder will vest in equal annual installments on February 5, 2019 and 2020. For the 2017 RSUs, one installment vested on January 31, 2018 and the remainder will vest in equal annual installments on January 31, 2019, 2020 and 2021. For Mr. Hazelton's HEI RSUs granted to replace the unvested portion of his NW Natural RSUs granted in 2015, one installment vested on February 6, 2018, and the remainder will vest on February 6, 2019. For Mr. Hazelton's HEI RSUs granted to replace the unvested portion of his NW Natural RSUs granted in 2016, one installment vested on February 5, 2018, and the remainder will vest in equal annual installments on February 5, 2019 and 2020.

2

***Market Value**. Market value is based upon the closing per-share trading price of HEI Common Stock on the NYSE of $36.15 as of December 29, 2017.*

3

***Number of Unearned Shares, Units or Other Rights That Have Not Vested**. Represents number of shares of HEI Common Stock that would be issued under the 2017-19 LTIP if performance goals are met at the target level at the end of the three-year performance period.*

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2017 Option Exercises and Stock Vested

	Stock Awards	
Name	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Constance H. Lau	24,3621	822,948
Gregory C. Hazelton	6,0091	202,984
Alan M. Oshima	8,8681	299,561
Richard F. Wacker	4,7871	161,705
James A. Ajello	12,6201	426,116

1

Represents the number of shares acquired (and dividend equivalents paid in stock based on number of shares vested) upon the February 2017 vesting of installments of RSUs granted on February 4, 2013, February 5, 2014, February 6, 2015, February 5, 2016 and October 24, 2016. Also, for Mr. Ajello who retired effective April 2, 2017, represents the number of shares acquired (and dividend equivalents paid in stock based on number of shares vested) upon the April 2017 vesting of installments of RSUs granted on February 5, 2014, February 6, 2015, February 5, 2016 and January 31, 2017. Value realized on vesting includes dividend equivalents.

Name	***Number of Shares Acquired on Vesting***	***Compounded Dividend Equivalents***	***Total Shares Acquired on Vesting***
Constance H. Lau	*21,837*	*2,525*	*24,362*
Gregory C. Hazelton	*5,581*	*428*	*6,009*
Alan M. Oshima	*8,104*	*764*	*8,868*
Richard F. Wacker	*4,293*	*494*	*4,787*
James A. Ajello	*11,387*	*1,233*	*12,620*

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Pension Benefits

The table below shows the present value as of December 31, 2017 of accumulated benefits for each of the named executive officers and the number of years of service credited to each executive under the applicable pension plan and executive death benefit plan, determined using the interest rate, mortality table and other assumptions described below, which are consistent with those used in HEI's financial statements (see Note 8 to the Consolidated Financial Statements in HEI's 2017 Form 10-K):

2017 PENSION BENEFITS

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit ($)6	Payments During the Last Fiscal Year ($)
Constance H. Lau	HEI Retirement Plan1	26.8	2,439,492	
	ASB Retirement Plan2	6.4	286,615	
	HEI Supplemental Executive Retirement Plan3	24.3	8,371,332	
	HEI Excess Pay Plan4	8.6	1,725,600	
	HEI Executive Death Benefit5		703,499	
Gregory C. Hazelton	HEI Retirement Plan1	3.1	123,887	
	HEI Excess Pay Plan4	3.1	41,221	
Alan M. Oshima	HEI Retirement Plan1	6.2	306,686	
	HEI Excess Pay Plan4	6.2	386,222	
Richard F. Wacker7				
James A. Ajello	HEI Retirement Plan1	8.2	788,074	33,077
	HEI Excess Pay Plan4	8.2	893,667	37,469
	HEI Executive Death Benefit5		403,351	

1

The HEI Retirement Plan is the standard retirement plan for HEI and Hawaiian Electric employees. Normal retirement benefits under the HEI Retirement Plan for management employees hired before May 1, 2011, including Ms. Lau and Mr. Ajello, are calculated based on a formula of 2.04% × Credited Service (maximum 67%) × Final Average Compensation (average monthly base salary for highest thirty-six consecutive months out of the last ten years). Credited service is generally the same as the years of service with HEI and other participating companies (Hawaiian Electric and its subsidiaries). Credited service is also provided for limited unused sick leave and for the period a vested participant is on long-term disability. The normal form of benefit is a joint and 50% survivor annuity for married participants and a single life annuity for unmarried

participants. Actuarially equivalent optional forms of benefit are also available. Participants who qualify to receive retirement benefits immediately upon termination of employment may also elect a single sum distribution of up to $100,000 with the remaining benefit payable as an annuity. Single sum distributions are not eligible for early retirement subsidies, and so may not be as valuable as an annuity at early retirement. Retirement benefits are increased by an amount equal to approximately 1.4% of the initial benefit every twelve months following retirement. The plan provides benefits at early retirement (prior to age 65), normal retirement (age 65), deferred retirement (over age 65) and death. Subsidized early retirement benefits are available for participants who meet certain age and service requirements at ages 50-64. The accrued normal retirement benefit is reduced by an applicable percentage, which ranges from 30% for early retirement at age 50 with at least 15 years of service to 1% at age 59. Accrued benefits are not reduced for eligible employees who retire at age 60 and above. The early retirement subsidies are not available to employees who terminate employment with vested benefits but prior to satisfying the age and service requirements for the early retirement subsidies.

HEI and Hawaiian Electric nonunion employees who commenced employment on or after May 1, 2011, like Messrs. Hazelton and Oshima, receive reduced benefits under the HEI Retirement Plan (e.g., reduced benefit formula, more stringent requirements for subsidized early retirement benefits, reduced early retirement subsidies and no post-retirement cost-of-living adjustment). Normal retirement benefits for these employees are calculated based on a formula of 1.5% × Credited Service × Final Average Compensation (average monthly base salary for highest thirty-six consecutive months out of the last ten years). These employees are eligible for a limited match under the HEI Retirement Savings Plan (50% match on the first 6% of compensation deferred).

Ms. Lau and Messrs. Ajello and Oshima are eligible for retirement benefits under the HEI Retirement Plan. Mr. Ajello retired in April 2017.

2

Ms. Lau is a participant in the ASB Retirement Plan. She is currently eligible to retire with full normal retirement benefits (limited to her years of credited service) under the plan. No other named executive officer is a participant in the plan or entitled to benefits under the plan. At the time of Ms. Lau's promotion to HEI President and CEO on May 2, 2006, her credited service under the plan was frozen and she resumed participation in the HEI Retirement Plan. Future benefit accruals for all participants under the plan were frozen effective December 31, 2007. As a result, credited service and compensation after December 31, 2007 are not recognized in calculating retirement benefits under the plan. Normal retirement benefits under the frozen plan are calculated based on a formula of 1.5% × Credited Service to December 31, 2007 (maximum 35 years) × Final Average Compensation at December 31, 2007 (averaged over the highest paying five consecutive calendar years out of the last ten calendar years prior to 2008). Compensation is primarily gross earnings but excludes commissions, stock options and other equity

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compensation, LTIP payments, deferrals to and distributions from the ASB Select Deferred Compensation Plan and other "fringe benefits" as defined in the plan. Early retirement benefits are available for participants who retire after attaining age 55 with a minimum of ten years of service. Beginning at age 60 the benefits are subsidized. The accrued normal retirement benefit is reduced by an applicable percentage which ranges from 59.8% for early retirement at age 55 to 2% at age 64. The early retirement subsidies are not available to employees who terminate employment with vested benefits but prior to satisfying the age and service requirements for the early retirement subsidies.

3

Ms. Lau is a participant in the HEI Supplemental Executive Retirement Plan, which was frozen effective December 31, 2008. She is currently eligible to retire with full normal retirement benefits (limited to benefits accrued before 2009) under the plan. No other named executive officer is a participant in the plan or entitled to benefits under the plan. Benefits under the plan are determined based on a formula of 2.04% × Credited Service to December 31, 2008 (maximum 60%) × Final Average Compensation at December 31, 2008 (average monthly base salary plus annual incentive awards for the three highest calendar years out of the last sixty months prior to 2009). Credited service is based on actual years of service through December 31, 2008 with any HEI-affiliated company, including ASB and Hawaiian Electric and its subsidiaries. Thus, although Ms. Lau has more than 30 years of actual service with HEI-affiliated companies, she receives only 24.3 years of credited service for purposes of the HEI Supplemental Executive Retirement Plan. Benefits under the plan are reduced by benefits accrued as of December 31, 2008 under the HEI Retirement Plan, ASB Retirement Plan and social security. Early retirement and death benefits similar to those available under the HEI Retirement Plan are available under the plan.

4

As of December 31, 2017, all of the named executive officers, except for Mr. Wacker, were participants in the HEI Excess Pay Plan. Ms. Lau and Messrs. Ajello and Oshima were eligible for retirement benefits under such plan. Mr. Ajello retired in April 2017. Benefits under the HEI Excess Pay Plan are determined using the same formula as the HEI Retirement Plan, but are not subject to the Internal Revenue Code limits on the amount of annual compensation that can be used for calculating benefits under qualified retirement plans ($270,000 in 2017 as indexed for inflation) and on the amount of annual benefits that can be paid from qualified retirement plans (the lesser of $215,000 in 2017 as indexed for inflation, or the participant's highest average compensation over three consecutive calendar years). Benefits payable under the HEI Excess Pay Plan are reduced by the benefit payable from the HEI Retirement Plan. Early retirement, death benefits and vesting provisions are similar to the HEI Retirement Plan.

5

Ms. Lau and Mr. Ajello are covered by the Executive Death Benefit Plan of HEI and Participating Subsidiaries. The plan was amended effective September 9, 2009 to close participation to new participants and freeze the benefit for existing participants. Under the amendment, death benefits will be paid based on salaries as of September 9, 2009. The plan provides death benefits equal to two times the executive's base salary as of September 9, 2009 if the executive dies while actively employed or, if disabled, dies prior to age 65, and one times the executive's base salary as of September 9, 2009 if the executive dies following retirement. The amounts shown in the table above assume death following retirement. Death benefits are grossed up by the amount necessary to pay income taxes on the grossed up benefit amount as an equivalent to the tax exclusion for death benefits paid from a life insurance policy. Messrs. Hazelton, Oshima and Wacker were not employed by the companies at the time the plan was frozen and therefore are not entitled to any benefits under the plan.

6

The present value of accumulated benefits for the named executive officers included in the 2017 Pension Benefits table was determined based on the following:

Methodology: *The present values are calculated as of December 31, 2017 based on the credited service and pay of the named executive officer as of such date (or the date of benefit freeze, if earlier).*

Assumptions*:*

a.

Discount Rate *The discount rate is the interest rate used to discount future benefit payments in order to reflect the time value of money. The discount rates used in the present value calculations are 3.74% for retirement benefits and 3.72% for executive death benefits as of December 31, 2017.*

b.

Mortality Table *The RP-2017 Mortality Table (separate male and female rates) with generational projection using scale MP-2017 is used to discount future pension benefit payments in order to reflect the probability of survival to any given future date. For the calculation of the executive death benefit present values, the mortality table rates are multiplied by the death benefit to capture the death benefit payments assumed to occur at all future dates. Mortality is applied post-retirement only.*

c.

Retirement Age *A named executive officer included in the table is assumed to remain in active employment until, and assumed to retire at, the later of (a) the earliest age when unreduced pension benefits would be payable or (b) attained age as of December 31, 2017.*

d.

Pre-Retirement Decrements *Pre-retirement decrements refer to events that could occur between the measurement date and the retirement age (such as withdrawal, early retirement and death) that would impact the present value of benefits. No pre-retirement decrements are assumed in the calculation of pension benefit table present values. Pre-retirement decrements are assumed for financial statement purposes.*

e.

Unused Sick Leave *Each named executive officer who participates in the HEI Retirement Plan is assumed to have accumulated 1,160 unused sick leave hours at retirement age.*

7

Mr. Wacker is not eligible to participate in any of the plans in the above 2017 Pension Benefits table because such plans either (i) are not open to employees of ASB or (ii) were frozen to new participants before Mr. Wacker joined ASB.

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2017 Nonqualified Deferred Compensation

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings/(Losses) in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)4
Constance H. Lau1			90,194		499,681
Gregory C. Hazelton					
Alan M. Oshima2			139,801		772,831
Richard F. Wacker3		11,416	13,560		92,411
James A. Ajello2	75,000		35,750	111,950	224,311

1

While employed by ASB, Ms. Lau was eligible to defer compensation under the ASB Select Deferred Compensation Plan (ASB Deferred Compensation Plan), a contributory nonqualified deferred compensation plan. She elected to defer $100,000 each year from bonuses awarded to her in 2004 and 2005. These amounts are reflected in the "Aggregate Balance at Last FYE" column of the table above and were previously reported as compensation to Ms. Lau in the 2004 and 2005 Summary Compensation Tables in the proxy statements for such years. Since 2008 she no longer earns any compensation from ASB that could be deferred to the plan. The ASB Deferred Compensation Plan allows select ASB employees to defer up to 100% of current salary, bonus and commissions. Pursuant to a 2009 amendment, the plan provides for employer matching contributions and profit sharing contributions for plan years beginning January 1, 2010. These matching and profit sharing contributions take into account compensation which is excluded from consideration under the ASB 401(k) Plan, including on account of being contributed to the ASB Deferred Compensation Plan or being in excess of limits on eligible compensation imposed by the Internal Revenue Code. The deferred amounts are credited with gains/losses of deemed investments chosen by the participant from a designated list of publicly traded mutual funds and other investment offerings. Earnings are not above-market or preferential and therefore are not included in the 2017 Summary Compensation Table above. Under the plan, a participant may receive an interim distribution while employed, but no earlier than the first day of the fourth plan year following the effective date of the initial election to defer. A participant may also request a withdrawal of a portion of his or her account to satisfy an unforeseeable emergency. The distribution of accounts from the plan is triggered by disability, death or separation from service (including retirement) and will be delayed for a 6-month period to the extent necessary to comply with Internal Revenue Code Section 409A. A participant may elect to receive such distributions in a lump sum or in substantially equal payments spread over a period not to exceed 15 years.

2

Represents salary and incentive compensation deferrals under the HEI Deferred Compensation Plan, a contributory nonqualified deferred compensation plan implemented in 2011. The plan allows certain HEI and Hawaiian Electric executives to defer 100% of annual base salary in excess of the compensation limit set

forth in Internal Revenue Code Section 401(a)(17) ($270,000 in 2017, as indexed for inflation) and up to 80% of any incentive compensation paid in cash. There are no matching or other employer contributions under the plan. The deferred amounts are credited with gains/losses of deemed investments chosen by the participant from a designated list of publicly traded mutual funds and other investment offerings. Earnings are not above-market or preferential and therefore are not included in the 2017 Summary Compensation Table above. The distribution of accounts from the plan is triggered by disability, death or separation from service (including retirement) and will be delayed for a 6-month period to the extent necessary to comply with Internal Revenue Code Section 409A. A participant may elect to receive distributions triggered by separation from service in a lump sum or in substantially equal payments spread over a period not to exceed 15 years. Lump sum benefits are payable in the event of disability or death. Messrs. Ajello and Oshima participated in the HEI Deferred Compensation Plan in 2017. The amount listed in the "Executive Contributions in Last FY" column for Mr. Ajello is reported as compensation in the 2017 Summary Compensation Table for the year 2016.

3

Mr. Wacker has not deferred any amounts under the ASB Deferred Compensation Plan. In 2017 he received a profit sharing contribution to his account under such plan for the portion of his profit sharing contribution that could not be made to his ASB 401(k) Plan account due to Internal Revenue Code limits on eligible compensation for 401(k) plans. The amount of such profit sharing contribution is included in the "All Other Compensation" column of the 2017 Summary Compensation Table for the year 2016.

4

Amounts in this column include contributions reported in the Summary Compensation Table for each year in which each executive listed above was a named executive officer.

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Potential Payments Upon Termination or Change in Control

The table below shows the potential payments to each named executive officer in the event of retirement, voluntary termination, termination for cause, termination without cause and qualifying termination after change in control, assuming termination occurred on December 31, 2017. The amounts listed below are estimates; actual amounts to be paid would depend on the actual date of termination and circumstances existing at that time.

2017 TERMINATION/CHANGE-IN-CONTROL PAYMENT TABLE

Name/ Benefit Plan or Program	Retirement on 12/31/17 ($)1	Voluntary Termination on 12/31/17 ($)2	Termination for Cause on 12/31/17 ($)3	Termination without Cause on 12/31/17 ($)4	Qualifying Termination after Change in Control on 12/31/17 ($)5
Constance H. Lau					
Executive Incentive Compensation Plan6					
Long-Term Incentive Plan7	1,455,967				
Restricted Stock Units8	791,858				
Change-in-Control Agreement5					10,166,640
TOTAL	2,247,825				10,166,640
Gregory C. Hazelton					
Executive Incentive Compensation Plan6					
Long-Term Incentive Plan7					
Restricted Stock Units8					
Change-in-Control Agreement5					2,111,556
TOTAL					2,111,556
Alan M. Oshima*					
Executive Incentive Compensation Plan6					
Long-Term Incentive Plan7	601,976				601,976
Restricted Stock Units8	368,548				1,081,355
TOTAL	970,524				1,683,331
Richard F. Wacker					
Executive Incentive Compensation Plan6					
Long-Term Incentive Plan7	880,572				
Restricted Stock Units8	156,380				
Change-in-Control Agreement5					4,335,189
TOTAL	1,036,952				4,335,189

*

Mr. Oshima did not have a change-in-control agreement as of December 31, 2017.

Note: All stock-based award amounts were valued using the 2017 year-end closing price of HEI Common Stock on the NYSE of $36.15 per share on December 29, 2017. Other benefits that are available to all salaried employees on a nondiscriminatory basis and perquisites aggregating less than $10,000 in value have not been listed.

1

Retirement Payments & Benefits. *Only Mr. Hazelton was not eligible for retirement as of December 31, 2017 and accordingly no amounts are shown in this column for him. Amounts in this column do not include amounts payable under the 2017 EICP and 2015-17 LTIP because those amounts would have vested without regard to retirement since December 31, 2017 was the end of the applicable performance periods. In addition to the amounts shown in this column, retired executives are entitled to receive their vested retirement plan and deferred compensation benefits under all termination scenarios. See the 2017 Pension Benefits and 2017 Nonqualified Deferred Compensation tables above.*

2

Voluntary Termination Payments & Benefits. *If the executive voluntarily terminates employment, he or she could lose any annual or long-term incentives based upon the Compensation Committee's right to amend, suspend or terminate any incentive award or any portion of it at any time. Voluntary termination results in the forfeiture of unvested RSUs and participation in incentive plans. Amounts in this column do not include amounts payable under the 2017 EICP or the 2015-17 LTIP because those amounts would have vested without regard to voluntary termination since December 31, 2017 was the end of the applicable performance periods. The executive's entitlement to rights under his or her change-in-control agreement would also end.*

3

Termination for Cause Payments & Benefits. *If the executive is terminated for cause, he or she could lose any annual or long-term incentives based upon the Compensation Committee's right to amend, suspend or terminate any incentive award or any portion of it at any time. "Cause" generally means a violation of the HEI Corporate Code of Conduct or, for purposes of awards under the 2010 Equity and Incentive Plan, as amended (EIP), has the meaning set forth in such plans. Termination for cause results in the forfeiture of all unvested RSUs, and participation in incentive plans. The executive's entitlement to rights under his or her change-in-control agreement would also end.*

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4

Termination without Cause Payments & Benefits. *If the executive is terminated without cause, he or she could lose any annual or long-term incentives based upon the Compensation Committee's right to amend, suspend or terminate any incentive award or any portion of it at any time. Termination without cause results in the forfeiture of unvested RSUs. As discussed in footnote 5 below, different benefits would be payable to the named executive officers if their termination without cause were to follow a change in control under the terms of their change-in-control agreements.*

5

Qualifying Termination after Change-in-Control Payments & Benefits. *Ms. Lau and Messrs. Hazelton and Wacker had change-in-control agreements as of December 31, 2017.*

"Change in control" generally means a change in ownership of HEI, a substantial change in the voting power of HEI's securities or a change in the majority of the composition of the Board following the consummation of a merger, tender offer or similar transaction. Mr. Wacker's change-in-control agreement defines "change in control" to also mean a sale of (or equivalent transaction involving) ASB. The change-in-control agreements are double trigger, which means that they provide for cash severance and other benefits only upon a qualifying termination of the executives' employment following a change in control. Ms. Lau has a lump sum severance multiplier of three times and Messrs. Hazelton and Wacker have a lump sum severance multiplier of two times, in each case applied to the sum of the executive's base salary and annual incentive compensation (determined to be the greater of the current target or the largest actual annual incentive compensation during the preceding three years).

In addition, under the change-in-control agreements executives would receive continued life, disability, dental, accident and health insurance benefits for the severance period (i.e., the number of years equal to the applicable severance multiplier). Executives would receive a lump sum payment equal to the present value of the additional benefit the executives would have earned under their respective retirement and savings plans during the severance period. Executives would also receive the greater of current target or actual projected EICP and LTIP compensation, pro-rated if termination occurs during the first half of the applicable performance period and the full value if termination occurs in the second half of the applicable performance period. For RSUs, in the event of a change in control either (i) the acquiring entity shall assume or substitute similar awards for all outstanding awards and such awards would vest in full upon a qualifying termination of employment within two years following the change in control or (ii) all outstanding awards shall become fully vested. For the named executive officers who are eligible to participate in the HEI Retirement Plan, additional age and service credit is received for the severance period for purposes of determining retiree welfare benefit eligibility. Executives would receive outplacement services, capped at 15% of annual base salary. Payment would generally be delayed for six months following termination of employment to the extent required to avoid an additional tax under Section 409A of the Internal Revenue Code. Interest would accrue during any six-month delay period at the prevailing six-month certificate of deposit rate and payments would be set aside during that period in a grantor (rabbi) trust. There are no tax gross ups provided for in the agreements. All the foregoing benefit amounts are included in this column but the total severance amount shown is limited to the maximum amount deductible under Section 280G of the Internal Revenue Code with respect to each named executive officer. Payment of the foregoing benefits is subject to a release of claims by the applicable named executive officer.

6

Executive Incentive Compensation Plan (EICP). *Upon death, disability or retirement, executives continue to participate in the EICP on a pro-rata basis if the executive has met applicable minimum service requirements, with lump sum payment to be made by the Company if the applicable performance goals are achieved. The EIP provides that in the event of an involuntary termination following a change in control, the EICP award would be immediately paid out at target level, pro-rated for completed months of service in the performance period. If there is no termination or a voluntary termination following a change in control, the EIP provides that (i) the acquiring entity shall assume all outstanding EICP awards or substitute similar awards or (ii) to the extent the acquiring entity refuses to assume or substitute such awards, such awards shall become fully vested (with all performance goals deemed achieved at 100% of target levels). Annual incentive compensation payments in the event of a change in control are described in footnote 5 above and quantified as part of the Change-in-Control Agreement payment in the table above.*

7

Long-Term Incentive Plan (LTIP). *Upon death, disability or retirement, executives continue to participate in each ongoing LTIP cycle on a pro-rata basis if the executive has met applicable minimum service requirements, with lump sum payment to be made by the Company if performance goals are achieved. The amounts shown are at target for goals deemed achievable (or at below the threshold, if deemed unachievable at the date of termination) for all applicable plan years, pro-rated based upon service through December 31, 2017; actual payouts will depend upon performance achieved at the end of the plan cycle.. The EIP provides that in the event of an involuntary termination following a change in control, the LTIP award would be immediately paid out at target level, pro-rated for completed months of service in the performance period. If there is no termination or a voluntary termination following a change in control, the EIP provides that, (i) the acquiring entity shall assume all outstanding LTIP awards or substitute similar awards or (ii) to the extent the acquiring entity refuses to assume or substitute such awards, such awards shall become fully vested (with all performance goals deemed achieved at 100% of target levels). Long-term incentive compensation payments in the event of a change in control are described in footnote 5 above and quantified as part of the Change-in-Control Agreement payment in the table above.*

8

Restricted Stock Units (RSUs). *Termination for or without cause results in the forfeiture of unvested RSUs. Termination due to death, disability or retirement results in pro-rata vesting of RSUs. If there is a change in control, either (i) the acquiring entity shall assume all outstanding RSUs or substitute similar awards and such awards would vest in full upon a qualifying termination of employment within two years following the change in control or (ii) to the extent the acquiring entity refuses to assume or substitute such awards, such awards shall become fully vested. The vesting of RSUs in the event of a qualifying termination of employment following a change in control are described in footnote 5 above and quantified as part of the Change-in-Control Agreement payment in the table above.*

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CEO Pay Ratio

As required by SEC rules, we are disclosing the ratio of our median employee's annual total compensation to the annual total compensation of our CEO.

In accordance with Item 402(u) of Regulation S-K, we identified our median employee by evaluating 2016 Form W-2s for all individuals, excluding our CEO, who were employed by us on October 1, 2017. We included all employees, whether employed on a full-time, part-time, or seasonal basis and assumed no compensation earned in 2016 for employees hired in 2017. We believe that the use of Form W-2 compensation for all employees is an appropriate compensation measure for this purpose because it reasonably reflects annual compensation for our employees.

After identifying the median employee based on Form W-2 compensation, we calculated annual total compensation for such employee using the same methodology we use for our CEO as set forth in the 2017 Summary Compensation Table above. The SEC rules allow for varying methodologies for companies to identify their median employee. Other companies may have different employment and compensation practices and may utilize different methodologies, estimates and assumptions in calculating their own pay ratios. Therefore, the pay ratios reported by other companies are unlikely to be relevant for purposes of comparison to our pay ratio.

CEO to Median Employee Pay Ratio

	President & CEO	**Median Employee**
Base Salary	$ 893,533	$ 88,864
Stock Awards	2,151,295	
Non-Equity Incentive Plan Compensation	2,337,155	
Change in Pension Value1	531,763	37,993
TOTAL	$ 5,913,746	$ 126,857
CEO Pay to Median Employee Pay Ratio	**47:1**	

1

These amounts are attributable to a change in the value of each individual's defined benefit pension account balance and do not represent earned or paid compensation. Despite the fact that these amounts are not paid, they are required to be taken into account for purposes of calculating total annual compensation for SEC reporting purposes. Pension values fluctuate over time they can rise or fall year-to-year and are dependent on many variables including market conditions, years of service, earnings, and actuarial assumptions such as discount rates.

Due to the NextEra Energy merger that was pending at the time the 2015-17 and 2016-18 long-term incentive plans (LTIPs) were established, these LTIPs were denominated in cash rather than in stock. This is because the Compensation Committee had determined that while the merger was pending, HEI's stock price might be affected at least in part by merger considerations that were unrelated to HEI's true operating performance and that, as a result, the compensatory goals of the LTIP would be better served without such merger impact. Since the merger agreement between HEI and NextEra Energy was terminated in July 2016, HEI returned to exclusively equity-based LTIPs in 2017, which impacts the comparative compensation amounts disclosed in the 2017 Summary Compensation Table (SCT). Although our LTIP programs and practices have not changed (i.e., one 3-year LTIP is granted each year), due to the disclosure timing differences between cash-based and equity-based LTIPs, the reported compensation amounts in the Summary Compensation Table for 2017 are notably higher than, and not comparable to, the reported amounts for 2015 and 2016, and are not reflective of the target compensation provided to our NEOs for 2017. Due to SEC disclosure rules, the 2017 compensation amounts in the SCT include both the 2015-17 LTIP cash payouts and the 2017-19 equity-based LTIP. By contrast, the 2015 and 2016 compensation amounts in the SCT do not include any LTIP amounts. Please see page 47 under "Summary

Compensation Table".

The following table shows our CEO's total compensation amount for 2017 (including change in pension value) without including the 2015-17 "cash" LTIP payout and only including the 2017-19 "equity "LTIP award and the resulting pay ratio using such adjusted CEO pay.

	President & CEO	**Median Employee**
TOTAL without 2015-2017 "cash" LTIP	$ 4,576,365	$ 126,857
CEO Pay (adjusted) to Median Employee Pay Ratio	36:1	

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STOCK OWNERSHIP INFORMATION

Security ownership of certain beneficial owners

The table below shows the number of shares of HEI Common Stock beneficially owned as of February 22, 2018 (or such other date as indicated below) by (a) each person known by HEI to own beneficially more than five percent of the outstanding shares of HEI Common Stock, (b) each director who is a current director or served as a director during any part of 2017 and each named executive officer (as listed in the 2017 Summary Compensation Table above) and (c) all directors and executive officers as a group, based in part on information furnished by the respective shareholders. No HEI directors, executive officers or named executive officers own any shares of Preferred Stock of HEI's wholly owned subsidiary, Hawaiian Electric.

AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP OF HEI COMMON STOCK

Name of Individual or Group	Sole Voting or Investment Power1	Shared Voting or Investment Power2	Other Beneficial Ownership3	Restricted Stock Units4	Total	Percent of Class
BlackRock, Inc.5	9,101,455				9,101,455	8.40
The Vanguard Group, Inc.6	9,889,770	86,164			9,975,934	9.17
Nonemployee directors						
Richard J. Dahl	3,990				3,990	*
Thomas B. Fargo		29,262			29,262	*
Peggy Y. Fowler	1,398	30,727			32,125	*
Keith P. Russell	20,165				20,165	*
James K. Scott	53,438				53,438	*
Kelvin H. Taketa	37,487				37,487	*
Barry K. Taniguchi		35,876			35,876	*
Jeffrey N. Watanabe	51,721		5		51,726	*
Employee director and Named Executive Officer						
Constance H. Lau	527,313			4,450	531,763	*
Other Named Executive Officers						
James A. Ajello7	84,109				84,109	*
Gregory C. Hazelton	8,996				8,996	*
Alan M. Oshima		45,068		2,628	47,696	*
Richard F. Wacker		95,801		876	96,677	*
	704,508	236,734	5	7,954	949,201	*

All directors and executive officers as a group (12 persons)

1

Includes the following shares held as of February 22, 2018 in the form of stock units in the HEI Common Stock fund pursuant to the HEI Retirement Savings Plan: approximately 113 shares for Ms. Lau and 113 shares for all directors and executive officers as a group. The value of a unit is measured by the closing price of HEI Common Stock on the measurement date.

2

For individuals, includes (i) shares registered in name of the individual and spouse and/or (ii) shares registered in trust with the individual and spouse serving as co-trustees.

3

Shares owned by spouse, children or other relatives sharing the home of the director or officer in which the director or officer disclaims beneficial interest.

4

Includes the number of shares that the individuals named above had a right to acquire as of or within 60 days after February 22, 2018 pursuant to Restricted Stock Units and related dividend equivalent rights thereon, including shares which retirement eligible individuals have a right to acquire upon retirement. These shares are included for purposes of calculating the percentage ownership of each individual named above and all directors and executive officers as a group, but are not deemed to be outstanding as to any other person.

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5

Based solely on information provided in a Schedule 13G report filed on January 25, 2018 by BlackRock, Inc., 55 East 52nd Street, New York, NY 10055.

6

Based solely on information provided in a Schedule 13G report filed on February 9, 2018 by The Vanguard Group, Inc., 100 Vanguard Blvd., Malvern, PA 19355.

7

Mr. Ajello retired effective April 2, 2017.

*

As of February 22, 2018, the directors and executive officers of HEI as a group and each individual named above beneficially owned less than one percent of the record number of outstanding shares of HEI Common Stock as of that date and no shares were pledged as security.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires HEI's executive officers, directors and persons who own more than ten percent of a registered class of HEI's equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission (SEC). Such reporting persons are also required by SEC regulations to furnish HEI with copies of all Section 16(a) forms they file. Based solely on its review of such forms provided to it, HEI believes that each of the persons required to comply with the Section 16(a) reporting requirements with regard to HEI complied with such reporting requirements for 2017, except that on one occasion, a report for one transaction for Mr. Dahl was inadvertently filed in an untimely fashion relating to the issuance of a nonemployee director stock grant. This report was subsequently filed.

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OTHER RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Related person transaction policy

The Board has adopted a related person transaction policy that is included in HEI's Corporate Code of Conduct, which is available for review at www.hei.com/govdocs. The related person transaction policy is specific to transactions between the Company and related persons such as executive officers and directors, their immediate family members or entities with which they are affiliated in which the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest. Under the policy, the Board, acting through the Nominating and Corporate Governance Committee, may approve a related person transaction involving a director or an officer or other related person if the Board determines in advance that the transaction is not inconsistent with the best interests of HEI and its shareholders and is not in violation of HEI's Corporate Code of Conduct.

Family relationships between any HEI executive officer, director and nominee for director

There are no family relationships between any HEI executive officer, director or nominee for director.

Arrangements or understandings between any HEI executive, director or director nominee and another person pursuant to which such executive, director or director nominee was selected

There are no arrangements or understandings between any executive officer, director or director nominee of HEI and any other person pursuant to which such executive officer, director or director nominee was selected.

Related person transactions with HEI or its subsidiaries

ASB has made loans and extensions of credit to directors and executive officers, members of their immediate families and affiliated entities in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and which did not involve more than the normal risk of collectability or present other unfavorable features.

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AUDIT COMMITTEE REPORT

The Audit Committee is responsible for providing independent, objective oversight of HEI's accounting functions and internal controls. It operates and acts under a written charter, which was adopted and approved by the Audit Committee and the Board and is available for review at www.hei.com/govdocs. The Board has determined that the three directors currently serving on the Audit Committee (Messrs. Dahl, Russell and Taniguchi) meet the independence and other qualification requirements of the NYSE Listed Company Manual and applicable securities laws. Messrs. Dahl, Russell and Taniguchi have also been determined by the Board to be "audit committee financial experts" on the Audit Committee. In addition, the Audit Committee has authority to retain its own independent legal counsel and accounting advisers at HEI's expense.

The Audit Committee assists the Board with its financial and risk oversight responsibilities. Management has the primary responsibility for HEI's consolidated financial statements and reporting process, including the systems of internal control. The independent registered public accounting firm has the responsibility for expressing opinions on HEI's consolidated financial statements and on the Company's internal control over financial reporting based on its integrated audits.

Independence of registered public accounting firm and recommendation to include financial statements in Form 10-K

In connection with its responsibilities, the Audit Committee held four regular meetings and four special meetings in 2017 with management and Deloitte. In its meetings with management and Deloitte, the Audit Committee's review and discussion included the audited consolidated financial statements, audit plan and quality/adequacy of internal controls. Discussions with Deloitte included the matters required by Auditing Standard No. 1301, "Communication with Audit Committees," such as the audit strategy and results of the audit.

Deloitte provided the Audit Committee with written disclosures and a letter regarding its independence from management as required by professional standards and other regulatory requirements, including applicable requirements of the Public Company Accounting Oversight Board. Based on its review of the disclosure statements and discussions with Deloitte, the Audit Committee satisfied itself as to the independence of the external auditor.

Based on its reviews and discussions with management and Deloitte described above and review of Deloitte's representations and disclosures, the Audit Committee recommended to the Board of Directors that HEI's audited consolidated financial statements be included in HEI's 2017 Form 10-K.

Audit Committee
Barry K. Taniguchi, Chairperson
Richard J. Dahl
Keith P. Russell

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INDEPENDENT ACCOUNTING FIRM

Change in Registered Public Accounting Firm

As reported in HEI's Form 8-K filed with the Securities and Exchange Commission (SEC) on March 3, 2017 (the Form 8-K), on February 27, 2017, the Audit Committee approved the engagement of Deloitte as HEI's independent registered public accounting firm for the year ending December 31, 2017, effective upon the signing of an engagement letter between HEI and Deloitte. Such engagement letter was executed on March 3, 2017. On February 27, 2017, the Audit Committee dismissed PwC as HEI's independent registered public accounting firm.

Deloitte's report on HEI's consolidated financial statements as of and for the fiscal year ended December 31, 2017, and PWC's reports on HEI's consolidated financial statements as of and for the fiscal years ended December 31, 2016 and 2015, contained no adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

The audit report of Deloitte on the effectiveness of internal control over financial reporting as of December 31, 2017 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 31, 2016 and 2015 and the subsequent interim period through February 27, 2017, (i) there were no disagreements (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) between HEI and PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures which disagreements if not resolved to the satisfaction of PwC would have caused PwC to make reference thereto in their reports on the financial statement for such years, and (ii) there were no "reportable events" (as that term is defined in Item 304(a)(1)(v) of Regulation S-K), except as discussed below.

As disclosed in HEI's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, HEI did not maintain effective controls over the preparation and review of their consolidated statement of cash flows. Specifically, controls were not designed to ensure that non-cash transactions were properly identified, evaluated and presented in the statement of cash flows, and management's review process was not effective. The material weakness was remediated as of December 31, 2016.

PwC discussed this matter with the Audit Committee. HEI authorized PwC to fully respond to the inquiries of Deloitte concerning this matter.

HEI provided PwC with a copy of the Form 8-K containing substantially the same disclosures set forth above and requested that PwC furnish HEI with a letter addressed to the SEC stating whether it agrees with the statements contained therein. A copy of PwC's letter, dated March 3, 2017, is filed as Exhibit 16 to the Form 8-K.

During the fiscal years ended December 31, 2016 and 2015 and through February 27, 2017, the date of engagement of Deloitte, neither HEI nor any person on its behalf consulted with Deloitte with respect to (i) either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on HEI's consolidated financial statements, and no written report or oral advice was provided by Deloitte to HEI that Deloitte concluded was an important factor considered by HEI in reaching a decision as to the accounting, auditing or financial reporting issue, or (ii) any matter that was the subject of either a disagreement as defined in Item 304(a)(1)(iv) of the SEC's Regulation S-K or a reportable event as described in Item 304(a)(1)(v) of the SEC's Regulation S-K.

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PROPOSAL NO. 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2018

At the 2018 Annual Meeting, the shareholders will be asked to ratify the appointment of Deloitte & Touche as HEI's independent registered public accounting firm for the year ending December 31, 2018 and thereafter until its successor is appointed. Representatives of Deloitte & Touche are expected to be present at the 2018 Annual Meeting and will have the opportunity to make statements if they desire to do so and to respond to appropriate questions. PwC, our independent registered public accounting firm for 2016, will not have a representative at the 2018 Annual Meeting.

Auditors' fees

The following table sets forth the fees paid or payable to Deloitte & Touche LLP (Deloitte), the Company's independent registered public accounting firm for 2017, with comparative amounts for 2016 that were paid or payable to PricewaterhouseCoopers LLP (PwC), HEI's former independent registered public accounting firm:

	2016 Fees	%	2017 Fees	%
Audit fees (principally consisted of fees associated with the audit of HEI, Hawaiian Electric and ASB consolidated financial statements and internal control over financial reporting (Sarbanes-Oxley Act of 2002, Section 404), quarterly reviews, issuances of letters to underwriters, statutory audits, review of registration statements, issuance of consents and the bank's Form 10 in 2016)	$ 2,927,169	88	$ 2,742,000	83
Audit-related fees (primarily consisted of fees associated with the audit of the financial statements of certain employee benefit plans in 2016, the audit of internal control over transfer agent and registrar duties and agreed upon procedures in 2016 and 2017, and consultation on financial accounting and reporting standards and pre-implementation assessment of controls in 2017)	242,513	7	523,000	16
Tax fees (consisted of review of income tax returns, generation repair studies and tax compliance and technical support)	160,760	5	20,000	1
	$ 3,330,442	100	$ 3,285,000	100

Pursuant to its charter, the Audit Committee preapproves all audit and permitted nonaudit services to be performed by the independent registered public accounting firm. The Audit Committee may delegate this responsibility to one or more of its members, provided that such member or members report any such preapprovals to the full Audit Committee at its next regularly scheduled meeting. All of the amounts set forth in the table above were preapproved. In addition, the Audit Committee reviewed the professional fees billed by Deloitte and determined that the provision of nonaudit services was compatible with the maintenance of the auditor's independence.

In the event the appointment of Deloitte & Touche is not ratified, the Audit Committee will reconsider its selection, but may decide to maintain the appointment of Deloitte & Touche. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be

in the best interests of HEI's shareholders.

ü **FOR**

Your Audit Committee and Board recommend that you vote FOR the ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2018.

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PROXY STATEMENT

HEI is soliciting proxies for the 2018 Annual Meeting of Shareholders scheduled for Thursday, May 10, 2018, at 10:00 a.m., Hawaii time, at the American Savings Bank Tower, 1001 Bishop Street, 8th floor, Room 805, Honolulu, Hawaii 96813. The mailing address of the principal executive offices of HEI is P.O. Box 730, Honolulu, Hawaii 96808-0730.

The approximate mailing date for this Proxy Statement, form of proxy and 2017 Annual Report to Shareholders is March 28, 2018. The 2017 Annual Report to Shareholders accompanying this Proxy Statement is not considered part of the proxy soliciting material.

ABOUT THE 2018 ANNUAL MEETING

Attendance

Attendance will be limited to:

- shareholders of record (i.e., shareholders who own shares registered in their own name on the books of HEI) on the record date;
- beneficial owners of HEI Common Stock having evidence of ownership as of the record date and entitlement to vote at the meeting;
- authorized representatives of absent shareholders; and
- invited guests of HEI management.

If you own shares of HEI Common Stock in the name of a bank, brokerage firm or other holder of record, you must show proof of ownership. This may be in the form of a letter from the holder of record or a recent statement from the bank or broker showing ownership of HEI Common Stock.

If you are representing an entity that is a shareholder, you must also present documentation showing your authority to attend and act on behalf of the entity (such as a power of attorney, written proxy to vote, or letter of authorization on the entity's letterhead). Only one authorized representative may attend per absent shareholder.

In order to be admitted to the 2018 Annual Meeting, you will need to present government-issued photo identification (such as a driver's license or passport) at registration.

To ensure that we can accommodate the greatest number of shareholders at our 2018 Annual Meeting, we reserve the right to limit the number of authorized representatives for any shareholder who may attend the meeting and to restrict the admission of guests or other attendees who are not shareholders.

No cameras, recording equipment, large bags or packages will be permitted in the 2018 Annual Meeting. The use of cell phones, smart phones, tablets and other personal communication devices during the 2018 Annual Meeting is strictly prohibited.

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VOTING PROCEDURES

Electronic access to proxy materials

HEI provides shareholders the option to access its proxy materials via the Internet. In keeping with our efforts to conserve natural resources, this method of delivery reduces the amount of paper necessary to produce these materials and reduces the costs associated with the printing and mailing of these materials to shareholders. On March 28, 2018, a Notice of Internet Availability of Proxy Materials (Notice) will be mailed to certain shareholders and our proxy materials will be posted on the website referenced in the Notice (www.ViewMaterial.com/HEI). As more fully described in the Notice, shareholders may choose to access our proxy materials on the website referred to in the Notice or may request to receive a printed set of our proxy materials. The Notice and website will provide information regarding how to request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

If you currently receive HEI's proxy materials in printed form and would like to receive them electronically in the future, please so indicate on the enclosed proxy, if voting by mail, or by following the instructions provided when using the telephone or Internet voting options described below.

Eligibility to vote

Only persons who own shares of HEI Common Stock as of the close of business on March 6, 2018 (the proxy record date) are entitled to vote.

Shares outstanding and entitled to vote

On March 6, 2018, 108,841,157 shares of HEI Common Stock were outstanding. Each shareholder is entitled to one vote for each share held on the record date. The Bylaws of HEI do not provide for cumulative voting rights in the election of directors.

Quorum requirements

A quorum is needed to conduct business at the 2018 Annual Meeting. A majority of the shares of HEI Common Stock outstanding on March 6, 2018 and entitled to vote, and present in person or by proxy at the 2018 Annual Meeting, constitutes a quorum. Abstentions and broker nonvotes of uninstructed shares on routine matters (such as ratification of the appointment of the independent registered public accounting firm) will be counted in the number of shares present in person or by proxy for purposes of determining a quorum. A quorum established for one purpose will apply for all purposes at the 2018 Annual Meeting.

Voting shares held directly with the Company

Whether or not you plan to attend the Annual Meeting, please take the time to vote. You may vote via the Internet, by touchtone telephone or by mail before the Annual Meeting, or in person at the Annual Meeting.

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The Internet and telephone procedures are designed to authenticate your vote and confirm that your voting instructions are followed. If you vote via the Internet or by telephone, follow the instructions on the Notice or voting instruction card you received by mail. If you vote by telephone, you will receive additional recorded instructions; and if you vote via the Internet, you will receive additional instructions at the Internet website.

You will need to have available the control number on your Notice or proxy card, as applicable.

1. BY INTERNET: You may vote on-line by following the instructions in the Notice or by accessing the Internet at *www.cesvote.com*. Instructions regarding how to record and confirm your vote will be available on the website.

2. BY TELEPHONE: You may vote by touchtone telephone by following the instructions in the Notice or by calling 1-888-693-8683. Once connected, you will be prompted to record and confirm your vote.

3. BY MAIL: Please mark your vote and sign, date and promptly return the proxy card in the postage-paid envelope provided. If you return the signed proxy card but do not mark the boxes showing how you wish to vote, your votes will be cast following the Board's recommendations on all proposals. If you wish to have someone other than the individuals listed on the enclosed proxy card vote your shares at the meeting, cross out all three names and insert the name of the person you designate as your proxy to vote your shares at the meeting.

4. IN PERSON: You or your proxy may vote your shares by attending the 2018 Annual Meeting and voting in person.

Voting shares held in street name (e.g., through a broker, trustee or other holder of record)

If your shares are held in "street name" (that is, through a broker, trustee or other holder of record), you will receive a voting instruction card or other information from your broker or other holder of record seeking instruction from you as to how your shares should be voted. *If you do not provide such instruction, your broker or nominee may vote your shares at its discretion on your behalf on routine matters, but not on nonroutine matters.* The ratification of the appointment of HEI's independent registered public accounting firm is considered a routine matter. The election of directors and the advisory vote on executive compensation, are considered nonroutine matters. **Please provide instructions to your broker on how to vote your shares on all three proposals to ensure that your shares will be voted on all proposals in accordance with your wishes.**

You may not vote shares held in "street name" at the 2018 Annual Meeting unless you obtain a legal proxy from your broker or holder of record.

Voting shares held in the HEI Dividend Reinvestment and Stock Purchase Plan, the HEI Retirement Savings Plan or the American Savings Bank 401(k) Plan

If you own shares held in the HEI Dividend Reinvestment and Stock Purchase Plan, the HEI Retirement Savings Plan (including shares previously received under the Tax Reduction Act Stock Ownership Plan or the HEI Stock Ownership Plan) or the American Savings Bank 401(k) Plan (ASB 401(k) Plan), you will receive instructions explaining how to direct your vote. Your shares will be voted according to your directions.

For the HEI Dividend Reinvestment and Stock Purchase Plan, all shares of stock for which no voting instructions are given will be voted as our Board recommends. For the HEI Retirement Savings Plan and the ASB 401(k) Plan, all shares of HEI Common Stock for which no voting instructions are given will be voted in the same proportion as the shares for which voting instructions were given.

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Changing your vote

If you vote by any of the methods described above, you may revoke your proxy card or vote at any time before the 2018 Annual Meeting in one of three ways:

submit a properly signed proxy card with a later date or vote again at a later time by telephone or Internet;

notify the Corporate Secretary of HEI in writing; or

vote in person at the 2018 Annual Meeting (if your shares are registered in your name on HEI's books or if your shares are held in "street name" and you have a legal proxy from your broker or other holder of record).

Vote requirements

If a quorum is present at the 2018 Annual Meeting, then:

Directors will be elected by a plurality of the votes cast. Plurality means that the persons receiving the highest number of votes are elected. Your options are to vote either "FOR" or to "WITHHOLD" your vote for a nominee. Although the election of directors is considered a nonroutine matter, broker nonvotes (i.e., when your broker or other holder of record does not vote your shares on a nonroutine matter because you have not provided instructions regarding how to vote on that matter) will not affect the outcome of this matter if a quorum is present.

In the event a director is elected under the plurality standard described above but does not receive the support of a majority of the votes cast, such director is required to submit his or her resignation to the Board for consideration. The Board would then analyze the shareholder concerns that drove the vote result and determine the most appropriate way to address those concerns, possibly by accepting the director's resignation.

Since the vote on executive compensation is advisory only, no minimum number of votes cast is required for that item and the results will not be binding on the Board.

However, the Board and its Compensation Committee value input from shareholders and will consider the vote outcome when making future compensation decisions. Brokers may not vote on this proposal without your instruction because the advisory vote on executive compensation is considered a nonroutine matter. For the proposal to adopt a resolution approving the compensation of HEI's named executive officers, your options are to vote "FOR," "AGAINST" or "ABSTAIN."

The appointment of HEI's independent registered public accounting firm will be ratified if more votes are cast in favor than against such ratification. Abstentions and broker nonvotes will not affect the outcome of this matter if a quorum is present. For this proposal, your options are to vote "FOR," "AGAINST" or "ABSTAIN."

Counting the votes and confidentiality

Corporate Election Services will act as tabulator for broker and bank proxies as well as for proxies of the other shareholders of record. Your identity and vote will not be disclosed to persons other than those acting as tabulators except:

- as required by law;
- to verify the validity of proxies and vote results in the case of a contested proxy solicitation; or
- when you write a comment on the proxy card.

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Other matters to be decided at the 2018 Annual Meeting

HEI has no business to be presented at the 2018 Annual Meeting other than the items set forth in this Proxy Statement. If other business is properly brought before the 2018 Annual Meeting, or any adjournment or postponement thereof, the persons named on the enclosed proxy card will vote your stock in accordance with their best judgment, unless authority to do so is withheld by you in your proxy card.

Postponement or adjournment of Annual Meeting

If the 2018 Annual Meeting is postponed or adjourned, your proxy card will remain valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy card until it is voted at the 2018 Annual Meeting.

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OTHER INFORMATION

Proxy solicitation and related cost

HEI will solicit proxies by mail, telephone or other means of communication and will bear the cost of such solicitation. We have engaged D.F. King & Co. to assist in the distribution of proxy materials and solicitation of proxies (including by telephone) from shareholders at a cost of $8,500 plus reasonable expenses. We will also reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to beneficial owners of our Common Stock.

Deadline for submitting a proposal to be included in the proxy statement for next year's Annual Meeting

Shareholders who want to have a proposal included in the proxy statement and form of proxy for the 2019 Annual Meeting of Shareholders (2019 Annual Meeting) must notify the Corporate Secretary in writing. The proposal must be received by November 28, 2018.

Bringing business matters before the 2019 Annual Meeting

Shareholders who wish to present business before the 2019 Annual Meeting must provide a written notice to the Corporate Secretary that is received no later than 60 days nor earlier than 90 days prior to the anniversary date of the preceding year's Annual Meeting of Shareholders.

To be timely for the 2019 Annual Meeting, notice must be received by the Corporate Secretary no later than March 11, 2019 and no earlier than February 9, 2019. The notice must include, as to each matter the shareholder proposes to bring before the 2019 Annual Meeting: (i) a brief description of the business desired to be brought before the 2019 Annual Meeting and the reasons for conducting such business at the 2019 Annual Meeting, (ii) the name and record address of the shareholder, (iii) the number of shares of HEI Common Stock owned by the shareholder, (iv) a description of all arrangements or understandings between the shareholder and any other person(s) (including their name(s)) in connection with the proposal of such business by the shareholder and any material interest of the shareholder in such business and (v) a representation that the shareholder intends to appear in person or by proxy at the 2019 Annual Meeting to bring such business before the meeting.

Recommend or propose persons as nominees to serve on the Board

Shareholders may recommend any person to serve on the Board by writing to the Nominating and Corporate Governance Committee in care of the Corporate Secretary, Hawaiian Electric Industries, Inc., P.O. Box 730, Honolulu, Hawaii 96808-0730. Recommendations must be received by November 28, 2018 for consideration by the Nominating and Corporate Governance Committee for the 2018 Annual Meeting. The recommendation must include (a) a resume and other relevant biographical information regarding the person's skills and qualifications to serve on the Board, (b) the nominee's consent to serve as a director and (c) the number of shares of HEI Common Stock owned by the shareholder.

Shareholders may propose persons as nominees to serve on the Board by providing a written notice to the Corporate Secretary that is received no later than

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March 11, 2019 and no earlier than February 9, 2019. The notice must include:

as to each proposed nominee: (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the number of shares of HEI Common Stock that are owned by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder; and

as to the shareholder: (i) the name and record address of the shareholder, (ii) the number of shares of HEI Common Stock that are owned by the shareholder, (iii) a description of all arrangements or understandings between the shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by the shareholder, (iv) a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the proposed nominee(s) and (v) any other information relating to the shareholder that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder.

A written consent of each proposed nominee to being a nominee and to serve as a director if elected must also accompany the notice.

"Householding" and provision of additional copies of proxy materials upon request

As permitted by rules of the Securities and Exchange Commission, HEI has adopted a procedure referred to as "householding," under which only one annual report to shareholders will be delivered to shareholders sharing the same address, unless contrary instructions are received. Householding reduces the volume of duplicate information received at your household, the cost to HEI of preparing and mailing duplicate materials and the environmental burden of excess paper usage. Certain shareholder accounts at a householded address will continue to receive separate proxy statements and proxy cards, and we will also deliver promptly upon your written or oral request a separate copy of the annual report, proxy statement or Notice of Internet Availability if you are a security holder at a shared address to which a single copy of the requested documents was delivered. Dividend payments and account statements are not affected. Householding will continue until you are notified otherwise or until you notify us that you wish to receive a separate annual report. You will be removed from the householding program within 30 days after receipt of your notice. If you wish to commence or discontinue householding of the annual report to shareholders, you may notify us by calling us at (808) 532-5841 or toll free at (866) 672-5841 between 7:30 a.m. and 3:30 p.m., Hawaii Standard Time. You may also write to us at the following address: Hawaiian Electric Industries, Inc. Shareholder Services, P.O. Box 730, Honolulu, Hawaii 96808-0730, or e-mail us at invest@hei.com.

If you hold your shares in "street name," please contact your bank, broker or other holder of record to request information about householding.

* * *

Please vote your proxy as soon as possible to ensure that your shares will be counted at the 2018 Annual Meeting.

Kurt K. Murao
Vice President Legal &
Administration and
Corporate Secretary

March 28, 2018

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EXHIBIT A

Reconciliation of GAAP[1] to Non-GAAP Measures:

Reported Core Earnings and Other Financial Measures

HEI uses certain non-GAAP measures to evaluate the performance of HEI and its subsidiaries. Management believes these non-GAAP measures provide useful information and are a better indicator of HEI's core operating activities. Core earnings and other financial measures as presented here may not be comparable to similarly titled measures used by other companies. The accompanying tables provide a reconciliation of reported GAAP earnings to non-GAAP core earnings and the adjusted return on average common equity (ROACE) for HEI consolidated.

The reconciling adjustment from GAAP earnings to core earnings for 2015 is limited to the costs related to the previously proposed merger between HEI and NextEra Energy and spin-off of ASB Hawaii, Inc. (ASB Hawaii). The merger agreement was terminated and the spin-off was cancelled in July of 2016. The reconciling adjustment from GAAP earnings to core earnings for 2016 includes the merger termination fee received from NextEra Energy and merger- and spin-off-related expenses (net of reimbursements), including expenses related to Hawaiian Electric's terminated liquefied natural gas (LNG) contract, which required PUC approval of the merger, and all merger- and spin-off-related tax impacts. The 2017 reconciling adjustments from GAAP earnings to core earnings exclude the impact of the federal tax reform act due to the adjustment of the deferred tax balances and the $1,000 employee bonuses paid by the bank related to federal tax reform. Management does not consider these items to be representative of the company's fundamental core earnings.

Hawaiian Electric Industries, Inc. and Subsidiaries (HEI)
Unaudited
($ in millions, except per share amounts)

	2017	2016	2015
HEI CONSOLIDATED NET INCOME			
GAAP (as reported)	**$ 165.3**	**$ 248.3**	**$ 159.9**
Excluding special items (after-tax):			
(Income) expense related to terminated merger with NextEra Energy and cancelled spin-off of ASB Hawaii, Inc.		(60.3)	15.8
Costs related to the terminated LNG contract2		2.1	
Bonus related to enactment of federal tax reform3	0.7		
Federal tax reform impacts4	13.4		
Non-GAAP (core) net income	**$ 179.5**	**$ 190.1**	**$ 175.7**
HEI CONSOLIDATED DILUTED EARNINGS PER SHARE			
GAAP (as reported)	**$ 1.52**	**$ 2.29**	**$ 1.50**
Excluding special items (after-tax):			
(Income) expense related to terminated merger with NextEra Energy and cancelled spin-off of ASB Hawaii, Inc.		(0.56)	0.15
Costs related to the terminated LNG contract2		0.02	
Bonus related to enactment of federal tax reform3	0.01		
Federal tax reform impacts4	0.12		

Non-GAAP (core) diluted earnings per share	**$ 1.65**	**$ 1.75**	**$ 1.65**
HEI CONSOLIDATED RETURN ON AVERAGE COMMON EQUITY (ROACE) (simple average)			
Based on GAAP	7.9%	12.4%	8.6%
Based on non-GAAP (core)5	8.6%	9.5%	9.4%

Note: Columns may not foot due to rounding

1

Accounting principles generally accepted in the United States of America

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2 *The LNG contract was terminated as it was conditioned on the merger with NextEra Energy closing*

3 *Bonus paid by American Savings Bank related to enactment of federal tax reform*

4 *Reflects the lower rates enacted by federal tax reform, primarily the adjustments to reduce the unregulated deferred tax net asset balances*

5 *Calculated as core net income divided by average GAAP common equity*

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EXHIBIT B

Reconciliation of GAAP[1] to Non-GAAP Measures:

Incentive Compensation Adjustments

Hawaiian Electric Industries, Inc. and Subsidiaries (HEI)
Unaudited
($ in millions, except per share amounts)

	Years ended December 31			
	2017	**2016**	**2015**	**2014**
HEI CONSOLIDATED NET INCOME				
GAAP (as reported)	**$ 165.3**	**$ 248.3**	**$ 159.9**	**$ 168.1**
Excluding special items (after-tax) for EICP purposes:				
Federal tax reform and related impacts2	14.2			
Non-GAAP (adjusted) net income for 2017 EICP purposes	**179.5**			
Excluding special items (after-tax) for LTIP purposes only:				
Rate adjustment mechanism reversion to lagged method3	13.9			
(Income) expenses relating to terminated merger with NextEra Energy		(60.3)	15.8	4.9
Costs related to the terminated LNG contract		2.1		
PUC decoupling order imposing changes in Hawaiian Electric's RAM	7.7	7.7	7.7	
ASB Pension defeasement	0.7	0.3	0.4	
Non-GAAP (adjusted) net income for 2015-17 LTIP purposes	**$ 201.7**	**$ 198.0**	**$ 183.8**	**$ 173.0**
HEI CONSOLIDATED BASIC EARNINGS PER SHARE				
Based on GAAP	**$ 1.52**	**$ 2.30**	**$ 1.50**	**$ 1.65**
Based on non-GAAP (adjusted) for 2015-17 LTIP purposes	**1.85**	**1.83**	**1.73**	**1.70**
UTILITY NET INCOME				
GAAP (as reported)	**$ 120.0**	**$ 142.3**	**$ 135.7**	
Excluding special items (after-tax) for EICP and LTIP purposes:				
Federal tax reform impacts2	9.2			
Non-GAAP (adjusted) net income for 2017 EICP purposes	**129.1**			
Excluding special items (after-tax) for LTIP purposes only:				
Rate adjustment mechanism reversion to lagged method3	13.9			
Costs relating to terminated merger with NextEra Energy		0.1	0.5	
Costs related to the terminated LNG contract		2.1		
PUC decoupling order imposing changes in Hawaiian Electric's RAM	7.7	7.7	7.7	

Non-GAAP (adjusted) net income for 2015-17 LTIP purposes	**$ 150.7**	**$ 152.2**	**$ 143.9**
UTILITY Return on Average Common Equity (%)			
Based on GAAP	**6.6**	**8.1**	**8.0**
Based on non-GAAP (adjusted) for 2015-17 LTIP purposes4	**8.2**	**8.6**	**8.4**
ASB CONSOLIDATED NET INCOME			
GAAP (as reported)	**$ 67.0**	**$ 57.3**	**$ 54.7**
Excluding special items (after-tax) for EICP and LTIP purposes only:			
Federal tax reform and related impacts2	(1.0)		
GAAP (as reported) for 2017 EICP purposes	**66.0**		
Excluding special items (after-tax) for LTIP purposes:			
Pension defeasement	0.7	0.3	0.4
Non-GAAP (adjusted) net income for 2015-2017 LTIP purposes	**$ 66.7**	**$ 57.6**	**$ 55.1**
ASB Return on Average Common Equity (%)			
Based on GAAP	**11.3**	**10.1**	**10.0**
Based on non-GAAP (adjusted) for 2015-17 LTIP purposes4	**11.3**	**10.1**	**10.1**

Note: Columns may not foot due to rounding

1

Accounting principles generally accepted in the United States of America

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2

Primarily reflects the impacts of lower rates enacted by federal tax reform on the deferred tax net asset balances

3

Reflects reversion of RAM to the lagged method of revenue recognition

4

Calculated as non-GAAP adjusted net income divided by average adjusted GAAP common equity

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VOTE BY TELEPHONE

Have your proxy card available when you call the **Toll-Free number 1-888-693-8683** using a touch-tone telephone and follow the simple instructions presented to record your vote.

VOTE BY INTERNET

Have your proxy card available when you access the website **www.cesvote.com** and follow the simple instructions presented to record your vote.

VOTE BY MAIL

Please mark, sign and date your proxy card and return it in the **postage-paid envelope** provided or return it to: Corporate Election Services, PO Box 1150, Pittsburgh, PA 15230.

Vote by Telephone	**Vote by Internet**	**Vote by Mail**
Call **Toll-Free** using a touch-tone telephone: **1-888-693-8683**	Access the Website and cast your vote: **www.cesvote.com**	Return your proxy card in the postage-paid envelope provided.

Vote 24 hours a day, 7 days a week until May 9, 2018, 11:59 P.M. EST.

If you vote by telephone or Internet, please do not send your proxy by mail.

	Please fold and detach card at perforation before mailing.	

HAWAIIAN ELECTRIC INDUSTRIES, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 10, 2018, AT 10:00 A.M., IN THE AMERICAN SAVINGS BANK TOWER, 8TH FLOOR, ROOM 805, 1001 BISHOP STREET, HONOLULU, HAWAII 96813.

The undersigned hereby constitutes and appoints Constance H. Lau, Kurt K. Murao and Jeffrey N. Watanabe and each of them the proxy of the undersigned, with full power of substitution, to vote all the Common Stock of Hawaiian Electric Industries, Inc. which the undersigned may be entitled to vote at the Annual Meeting of Shareholders to be held on May 10, 2018, or at any adjournment or postponement thereof.

Date:

Signature(s)

Signature(s)

(Please sign your name exactly as it appears on this proxy. Joint owners should each sign personally. Attorney, Executor, Administrator, Trustee or Guardian should indicate full title. If address is incorrect, please provide the correct one.)

Y O U R V O T E I S I M P O R T A N T

If you do not vote by telephone or Internet, please sign and date this proxy card and return it promptly in the enclosed postage-paid envelope, or otherwise to Corporate Election Services, PO Box 1150, Pittsburgh, PA 15230, so your shares may be represented at the Annual Meeting. If you vote by telephone or Internet, it is not necessary to return this proxy card.

	Please fold and detach card at perforation before mailing.	

HAWAIIAN ELECTRIC INDUSTRIES, INC. **PROXY**

The proxies named on the reverse side of this card are instructed to vote as indicated below. **If no direction is indicated, said proxies will vote FOR all Nominees in proposal 1, FOR proposals 2 and 3.** Said proxies are also authorized to vote in their discretion with respect to any other matters that may come before the Annual Meeting or at any adjournment or postponement thereof.

The Board of Directors recommends a vote FOR all of the Nominees in proposal 1, FOR proposals 2 and 3.

1. Elect three Class I directors for a three-year term expiring at the 2021 Annual Meeting of Shareholders.

Class I Nominees: (1) Richard J. Dahl (2) Constance H. Lau (3) James K. Scott, Ed.D.

q **FOR** all nominees listed above (except as marked to the contrary)

q **WITHHOLD** authority to vote for all nominees listed above

To withhold authority to vote for any individual nominee, strike a line through the nominee s name above.

2. Advisory vote to approve the compensation of HEI s named executive officers

q **FOR** q **AGAINST** q **ABSTAIN**

3. Ratify the appointment of Deloitte & Touche LLP as HEI s independent registered public accounting firm for 2018

q **FOR** q **AGAINST** q **ABSTAIN**

q Please check this box if you consent to access future Annual Reports and Proxy Statements via the Internet.

PROXY TO BE SIGNED AND DATED ON THE REVERSE SIDE