

**Corporate Governance Guidelines
of
Hawaiian Electric Industries, Inc.**

**Adopted September 17, 2002
(Amended as of September 18, 2007)**

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The following Corporate Governance Guidelines have been adopted by the Board of Directors (the "Board") of Hawaiian Electric Industries, Inc. (the "Company"), along with the charters of the committees of the Board, to provide a framework for the governance of the Company. These Corporate Governance Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing long-term shareholder value.

Mission and Responsibilities of the Board

Mission Statement

The Board's primary objective is to maximize long-term shareholder value and to assure the vitality of the Company for its owners, employees, customers and the other individuals and organizations who depend on the Company.

Responsibility of the Board

The business and affairs of the Company shall be managed under the direction of the Board. In furtherance of its mission, the Board delegates certain authority to management. The Board expects and requires that the Company's management and employees operate in a legal and ethically responsible manner. The Board shall ensure processes are in place for maintaining the integrity of the Company – the integrity of the financial statements, integrity of compliance with laws and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders.

The Board has regularly scheduled meetings at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. The Board also advises management with respect to strategic plans and ensures that processes are in place for maintaining the integrity of the Company.

Each director is expected to spend the time and effort necessary to properly fulfill his or her responsibilities, including regularly attending meetings of the Board and committees on which he or she serves, as well as the annual meeting of shareholders, with the understanding that on occasion a director may be unable to attend a meeting. A director who cannot attend a meeting is expected to notify the Corporate Secretary, who will notify the Chairman of the Board or the chairperson of the appropriate committee and the Chief Executive Officer in advance of such meeting.

These Corporate Governance Guidelines are not intended to change or interpret any federal or state law or regulation, including the laws of the State of Hawaii, or the Articles of Incorporation or By-laws of the Company.

Board Structure

Number of Directors

Given the size and complexity of the Company, the Board should generally have between 10 and 15 directors. This range encourages diversity of skills and experience without diminishing individual accountability or effective discussion. If appropriate, the Board may increase or decrease its size, including in order to accommodate the availability of an outstanding candidate for director.

Board Composition

A majority of the Board shall be directors who qualify as independent directors ("Independent Directors") under the listing standards of the New York Stock Exchange (the "NYSE").

The Board shall annually review the direct and indirect relationships that each director has with the Company, along with all relevant facts and circumstances. Following such review, only those directors who the Board determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) will be considered Independent Directors.

Board Leadership

The Board does not require that the positions of the Chairman of the Board and the Chief Executive Officer be held by different individuals. When the Chairman of the Board is not an Independent Director, the Company's Independent Directors will self-designate one person to serve as a lead Independent Director (the "Lead Director"), and another to serve in his or her absence (the "Alternate Lead Director"). The duties of the Nonexecutive Chairman of the Board or the Lead Director will include planning and moderating sessions of the Independent Directors, coordinating Independent Director activities, and facilitating communications with other Board members.

The Nonexecutive Chairman of the Board or the Lead Director is expected to consult with the chairpersons of the Board's committees and solicit their participation in order to avoid diluting their authority or responsibilities.

Committees

The Board has four standing committees: Audit, Nominating and Corporate Governance, Compensation and Executive. The committees report their meeting activities and recommendations to the Board, as appropriate. The Board may form new committees, including ad hoc committees, or disband a current committee, depending on the circumstances.

The Nominating and Corporate Governance Committee shall be responsible, after consultation with the Chairman of the Board and, if applicable, the Lead Director, for recommending to the Board the assignment of Board members to the various committees. The Board shall then be responsible for annually appointing chairpersons and members to the committees.

The Board may appoint a non-Independent Director as chairperson of the Executive Committee. The other three standing committees shall be entirely comprised of, and chaired by, Independent Directors satisfying applicable legal, regulatory and NYSE requirements necessary for an assignment to any such committee.

Directors

Nominees and Criteria for Election to the Board

The Company endeavors to have a Board representing excellence and experience in areas that are relevant to the Company's business activities. The Board believes that its membership should reflect a diversity of skills, experience, gender, ethnicity, and age. The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and other Board members, as well as by management and shareholders. The Nominating and Corporate Governance Committee may retain a third-party search firm to help identify candidates from time to time. The Nominating and Corporate Governance Committee recommends nominees to the full Board for annual director elections on the basis of, among other things, knowledge, experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, absence of conflicts of interest and such other relevant factors that the Committee considers appropriate in the context of the needs of the Board. In making its recommendations, the Nominating and Corporate Governance Committee also considers the current composition of the Board, the balance of Independent Directors and non-Independent Directors, and the need for financial expertise.

Directors shall acquire common stock of the Company in accordance with the Company's Officers & Directors Stock Ownership Policy.

Retirement Age

Each director who is not an officer or employee of the Company or any of its subsidiaries or affiliates shall submit his or her resignation as director effective with the annual meeting next following his or her 72nd birthday and shall not be nominated for re-election or reappointment to the Board by the Nominating and Corporate Governance Committee. In certain circumstances, the Board may ask a director to postpone his or her resignation under this policy.

Director Tenure

In connection with each director nomination recommendation, the Nominating and Corporate Governance Committee shall consider the issue of continuing director tenure and endeavor to ensure that the Board maintains an openness to new ideas and a willingness to critically re-examine the status quo without sacrificing the valuable insight that comes from experience with the Company and an understanding of the Company's history, operations, policy and objectives. Renomination is dependent upon a director's performance evaluation and suitability review, each to be conducted by the Nominating and Corporate Governance Committee.

Changes in Professional Responsibility

The Board should consider the impact of a change in a director's professional responsibilities on his or her ability to fulfill directorship obligations. To facilitate the Board's consideration, (i) each director who is an officer or employee of the Company or a subsidiary or affiliate of the Company shall resign from the Board when the director ceases to be an officer or employee of the Company or any of its subsidiaries or affiliates for any reason, and (ii) each director shall tender his or her resignation for consideration by the Nominating and Corporate Governance Committee upon the occurrence of a material change, including retirement, in his or her principal executive or other career position, or business or institutional affiliation. The Nominating and Corporate Governance Committee will review any resignation tendered for consideration and recommend whether or not such resignation should be accepted. If it recommends acceptance of such resignation, the Nominating and Corporate Governance Committee may recommend that such resignation be effective at any point in time up to the expiration of the director's then-current term.

Director Compensation

The Company's philosophy is that compensation for non-employee directors should be competitive and should encourage increased Company ownership by making a portion of director compensation equity based, in order to align directors' interests with the long-term interests of shareholders. The Compensation Committee will annually evaluate the level and form of the Company's director compensation, including how such compensation relates to director compensation of companies of comparable size, industry and complexity. Any changes to director compensation will be proposed to the full Board for consideration based on a recommendation from the Compensation Committee.

Director compensation determined in accordance with the above is the only compensation a member of the Audit Committee may receive from the Company.

A director who is also an officer of the Company or one of its subsidiaries shall not receive additional compensation for service as a director.

Outside Board Memberships

The Board believes that directors should serve on the boards of directors of no more than four other public companies. Non-employee directors should advise the Chairman of the Board in advance of accepting an invitation to serve on another company's board so that any possible conflict of interest issues can be analyzed and discussed. The CEO and other senior management members of the Board shall seek the approval of the Board before accepting outside board memberships (other than boards of not-for-profit entities).

In addition, in recognition of the enhanced time commitments associated with membership on a public company audit committee, no director who serves on the Audit Committee may serve simultaneously on the audit committees of more than two other public companies.

Board Operations

Frequency of Meetings

There shall be at least seven regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall be held quarterly.

Strategic Planning

At least annually the Board conducts a strategic planning review. As part of this review, the Board reviews, monitors and approves fundamental financial and business strategies and major corporate actions and assesses the major risks facing the Company and options to mitigate those risks. The CEO suggests the timing and agenda for this review. Further, to facilitate strategic planning through constructive dialogue among top management and Board members, members of senior management who are not directors may be invited to participate in the strategic planning review. Based on the review, the Board and CEO identify key issues of strategy, risk, and integrity to be discussed during the course of the next calendar year.

Agenda

Prior to each Board meeting, the CEO will discuss specific agenda items with the Chairman of the Board, who has the authority to approve the agenda for the meeting. Directors are urged to make suggestions for agenda items to the CEO, Chairman of the Board or appropriate committee chairperson at any time. The agenda for each Board meeting will be distributed in advance to each director.

Board Orientation and Continuing Education

The Company holds a new director orientation program to familiarize new directors with the Company's business, strategic plans, significant financial, accounting and risk management issues, insider trading compliance programs, conflicts policies, Corporate Code of Conduct, corporate governance, principal officers, internal auditors and independent auditors. All other directors are welcome to attend orientation programs. Each director is also expected to participate in continuing educational programs. [The Company will pay reasonable expenses for a director's participation in continuing education programs approved by the Board.]

Access to Top Management

Board members are free to contact members of senior management and, as appropriate, the Company's employees and outside advisors. Board members shall use their judgment to assure that this access is not distracting to the Company's business operations.

The Board encourages the CEO to bring members of management from time to time into Board meetings to provide management insight and make presentations to the Board on matters which involve the manager, and to introduce managers with significant potential.

Independent Advice

The Board may seek expert advice from a source independent of management.

Executive Sessions of Non-Employee Directors

An executive session of non-employee directors should be held regularly without management, with the Nonexecutive Chairman of the Board or Lead Director presiding (or, in his or her absence, the Alternate Lead Director). In the event that the non-employee directors include directors who are not Independent Directors, the Independent Directors will meet in executive session at least annually.

Any interested party desiring to communicate with the Chairman of the Board or Lead Director regarding the Company may send mail to the Chairman of the Board or Lead Director c/o Corporate Secretary which communication will be forwarded to him or her.

Mailing Board Meeting Materials

To the extent practicable, directors should receive important information and materials for Board meetings sufficiently in advance of the meeting to allow for prior review so that the directors may be prepared to contribute substantively at the meetings. In the event of a pressing need for the Board to meet on short notice or if the materials would contain highly confidential or sensitive information, written materials may not be available in advance of the meeting. Directors may make suggestions for additional meeting materials to the CEO, Chairman of the Board, or appropriate committee chairperson at any time.

Board Evaluation

The Board of Directors conducts an annual evaluation of the operations and effectiveness of the Board as a whole as well as self-evaluations by individual directors up for election. In reviewing the Board as a whole, directors evaluate and comment on Board structure, the content, conduct and mechanics of Board meetings, Board responsibilities, performance of directors and the relationship between the Board and management. Directors who are nominees for reelection evaluate their own individual meeting preparation, participation in Board meetings, contributions to the group, knowledge of the issues and concerns of the Company and understanding of the role of the Board in the governance of the Company. The evaluation process is overseen by the Nominating and Corporate Governance Committee, which recommends to the Board any procedures and practices to be adopted to improve the operations of the Board. The chairperson of the Nominating and Corporate Governance Committee may meet with individual directors to discuss their performance, as appropriate.

Media Relations

Management generally should speak for the Company. Directors should refer all inquiries from institutional investors, analysts, the press or customers to the CEO or his or her designee.

Leadership Development

Selection of the Chief Executive Officer

The Board shall be responsible for identifying potential candidates for, and selecting, the Company's CEO. In doing so, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, skills, integrity, reputation in the business community, willingness to devote the necessary time and

effort to make the Company successful and commitment to the long-term best interests of the Company and its shareholders.

Evaluation of Chief Executive Officer

Each year the CEO will provide a written self-evaluation of his or her performance during the prior year to the non-employee directors. Not later than the third regularly scheduled meeting of the Board, the Compensation Committee and the other non-employee directors will meet in executive session to discuss the CEO's self-evaluation and to assess the CEO's performance. This assessment should include:

- The Company's performance and the CEO's contribution to it, both compared to competitors and the Company's own strategic goals;
- Achievement of personal goals set by the CEO for the year, as part of his or her self-evaluation; and
- Other aspects of the CEO's performance which the non-employee directors deem relevant.

After the Compensation Committee and the other non-employee directors have conducted the evaluation, the chairperson of the Compensation Committee and the Nonexecutive Chairman of the Board or Lead Director will meet with the CEO to discuss the evaluation. The CEO may then take the opportunity to discuss his or her reaction to the evaluation. Based on the evaluation of the CEO, the Compensation Committee recommends the salary level of the CEO to the Board and the Board will determine the CEO's compensation.

Management Succession

The Board shall plan for CEO succession. To provide assistance, the CEO shall periodically prepare and distribute to the Board a report on succession planning for all senior officers of the Company with an assessment of senior managers and their potential to succeed the CEO and other senior management positions, along with a review of any development plans recommended for such individuals. The CEO shall also prepare, on a continuing basis, a short-term succession plan which outlines a temporary delegation of authority to certain officers of the Company, if all or a portion of the senior officers should unexpectedly become unable to perform their duties. If such events were to occur, the Nonexecutive Chairman of the Board or Lead Director would convene a meeting of the Executive Committee to appoint temporary replacement officers until a meeting of the full Board could be held.

When it is appropriate or necessary, it is the Board's responsibility to remove the CEO and to select his or her successor.

Management Development

The Board shall ensure that a satisfactory system is in effect for education, development, and orderly succession of senior and mid-level managers throughout the Company.