

HAWAIIAN ELECTRIC INDUSTRIES INC
Form DEF 14A
March 22, 2016

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

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

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material 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):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

March 22, 2016

Dear Fellow Shareholder:

On behalf of the Board of Directors, it is my pleasure to invite you to attend the Annual Meeting of Shareholders of Hawaiian Electric Industries, Inc. (HEI). The meeting will be held on HEI's premises in Room 805 on the eighth floor of the American Savings Bank Tower, located at 1001 Bishop Street, Honolulu, Hawaii, on Wednesday, May 4, 2016, at 10:00 a.m., Honolulu time. A map showing the location of the meeting site appears on the last page of the Proxy Statement.

The Notice of Annual Meeting of Shareholders and Proxy Statement that accompany this letter describe the business to be conducted during the 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 using telephone or internet voting. Instructions on how to vote are on pages 2-3.**

The Board 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 Annual Meeting in Honolulu.

Sincerely,

Constance H. Lau
President and Chief Executive Officer

Table of Contents

NOTICE OF ANNUAL MEETING

Date and Time	Wednesday, May 4, 2016, at 10:00 a.m., Honolulu time.
Place	American Savings Bank Tower, 1001 Bishop Street, 8th floor, Room 805, Honolulu, Hawaii 96813.
Items of Business	<ol style="list-style-type: none">1. Election of three Class II directors for a three-year term expiring at the 2019 Annual Meeting of Shareholders.2. Advisory vote to approve HEI's executive compensation.3. Ratification of the appointment of PricewaterhouseCoopers LLP as HEI's independent registered public accounting firm for 2016.
Record Date	February 25, 2016.
Annual Report	The 2015 Annual Report to Shareholders, which is not a part of the proxy solicitation materials, has been mailed or made available electronically along with this Notice and accompanying Proxy Statement.
Proxy Voting	<p>Shareholders of record may appoint proxies and vote their shares in one of four ways:</p> <p>Via the Internet</p> <p>By telephone</p> <p>By mail</p> <p>In person</p> <p>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.</p> <p>Any proxy may be revoked in the manner described in the accompanying Proxy Statement.</p>
Attendance at Meeting	<p>Only shareholders of record as of the record date are entitled to receive notice of, attend and vote at the Annual Meeting. If your shares are registered in street name, you must bring a letter from your bank or broker or provide other evidence of your beneficial ownership on the record date if you plan to attend the Annual Meeting.</p> <p>By Order of the HEI Board of Directors.</p>

March 22, 2016

Chester A. Richardson
Executive Vice President, General
Counsel, Secretary and Chief
Administrative Officer

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders
to be held on May 4, 2016**

The accompanying Proxy Statement, 2015 Annual Report to Shareholders and 2015 Annual Report on Form 10-K
are available at <http://www.hei.com>

Table of Contents

TABLE OF CONTENTS

Page

i	<u>PROXY SUMMARY</u>
1	<u>ABOUT THE MEETING</u>
2	<u>VOTING PROCEDURES</u>
6	<u>PROPOSAL NO. 1: ELECTION OF CLASS II DIRECTORS</u>
7	<u>DIRECTOR NOMINEES FOR ELECTION</u>
9	<u>CONTINUING DIRECTORS</u>
13	<u>CORPORATE GOVERNANCE</u>
19	<u>BOARD OF DIRECTORS</u>
21	<u>COMMITTEES OF THE BOARD</u>
23	<u>DIRECTOR COMPENSATION</u>
26	<u>PROPOSAL NO. 2: ADVISORY VOTE TO APPROVE HEI'S EXECUTIVE COMPENSATION</u>
27	<u>COMPENSATION DISCUSSION AND ANALYSIS</u>
27	<u>Executive Summary</u>
28	<u>How We Make Compensation Decisions</u>
30	<u>We Use Comparative Market Data as a Reference Point for Compensation</u>
33	<u>What We Pay and Why: Compensation Elements and 2015 Pay Decisions</u>
46	<u>Additional Policies and Information</u>
49	<u>COMPENSATION COMMITTEE REPORT</u>
49	<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>

Page

50	<u>EXECUTIVE COMPENSATION TABLES</u>
50	<u>2015 Summary Compensation Table</u>
52	<u>Grants of Plan-Based Awards</u>

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form DEF 14A

53 Outstanding Equity Awards at 2015 Fiscal Year-End

54 2015 Option Exercises and Stock Vested

55 Pension Benefits

57 2015 Nonqualified Deferred Compensation

58 Potential Payments Upon Termination or Change in Control

61 STOCK OWNERSHIP INFORMATION

63 OTHER RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

64 AUDIT COMMITTEE REPORT

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

66 OTHER INFORMATION

A-1 EXHIBIT A: Reconciliation of GAAP to Non-GAAP Measures: Reported Core Earnings and Other Financial Measures

B-1 EXHIBIT B: Reconciliation of GAAP to Non-GAAP Measures: Incentive Compensation Adjustments

MAP

Table of Contents**PROXY SUMMARY**

This summary contains highlights about our Company and the upcoming 2016 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 Directors	FOR Each Nominee	6
2. Advisory Vote to Approve Executive Compensation	FOR	26
3. Ratification of Appointment of Independent Auditor for 2016	FOR	66

ELECTION OF DIRECTORS

The following table provides summary information about the three nominees for election to the Board as Class II Directors. Additional information about all directors, including the nominees, may be found beginning on page 7.

Thomas B. Fargo	67	2005	Chairman, Huntington Ingalls Industries, Inc. Former Commander, U.S. Pacific Command	CC (chair), NCGC	3
Kelvin H. Taketa	61	1993	Chief Executive Officer, Hawaii Community Foundation	NCGC (chair)	
Jeffrey N. Watanabe	73	1987	Retired Founder, Watanabe Ing LLP	EC (chair), CC	1

CC - Compensation 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:

BOARD OF DIRECTORS

Independent Chairman of the Board

9 directors, 8 of whom are independent

Over 65% of directors are women or from diverse ethnic backgrounds

All Audit, Compensation and Nominating & Corporate Governance Committee members are independent

Executive session of independent directors held at each Board meeting

All directors attended over 90% of meetings of the Board and Board committees on which they served in 2015

Policy limitation for membership on other public company boards

Annual Board and committee self-evaluations and periodic director self and peer review

Directors required to submit resignation for consideration by the Board upon the end of their term after reaching age 72 or in event of a significant change in their employment

Share ownership and retention requirements for directors and executives

Table of Contents

SHAREHOLDER INTERESTS

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

No shareholder rights plan

Annual vote to ratify appointment of independent auditor

Active shareholder engagement

Input from shareholder outreach incorporated in incentive compensation metrics

Prohibition on hedging and pledging

2015 BUSINESS HIGHLIGHTS

2015 was a dynamic and challenging year for HEI, with financial headwinds as well as significant business accomplishments. We continue to manage our businesses for the long-term, while working towards a successful merger with NextEra Energy, Inc. and spin-off of American Savings Bank ("American") (see page iii).

FINANCIAL RESULTS

Consolidated core net income¹ (excluding merger/integration/bank spin expenses) ended the year on budget and on the high end of our earnings per share (EPS) guidance range. Core net income of \$176 million in 2015 rose approximately 2% over core net income in 2014. Our utility, Hawaiian Electric Company ("Hawaiian Electric") overcame significant unbudgeted headwinds from regulatory constraints, mainly through better fuel efficiency and cost controls. And American ended the year better than target, primarily due to higher net interest income with good asset growth and strong credit quality.

Our 2015 core diluted EPS was approximately 2% lower than 2014 core diluted EPS, reflecting in part our issuance of 4.9 million shares in 2015.

2015	\$160M (176)	2015	\$1.50 (1.65)	2015	8.6% (9.4%)
2014	\$168M (173)	2014	\$1.63 (1.68)	2014	9.6% (9.8%)
2013	\$162M	2013	\$1.62	2013	9.7%

Note: Numbers in parentheses represent non-GAAP core earnings before merger/integration/spin-off related costs in 2014 and 2015. See Exhibit A for a reconciliation of GAAP and non-GAAP core figures.

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form DEF 14A

Total shareholder return (TSR) lagged comparators in 2015, principally due to stock price compression from uncertainty surrounding the merger closure and regulatory challenges for our subsidiaries. Nevertheless, we continued our 115-year history of continuous dividends, returning \$132 million in dividends to shareholders in 2015 and \$381 million in the aggregate from 2013-15.

2015	9.9	1.4	3.9	5.9
3-year	32.0	52.6	40.0	59.3
5-year	60.5	80.8	71.5	71.1
10-year	86.1	102.4	111.9	10.7

Source: S&P Capital IQ

1

Consolidated core net income, also referred to as "core earnings," is a non-GAAP measure that is a better indicator of the Company's fundamental activity, which adjusts GAAP earnings for unusual or extraordinary events (i.e., costs associated with the merger and spin-off transactions). See Exhibit A for a reconciliation of GAAP and non-GAAP figures.

Table of Contents

RESTATEMENT

In the course of preparing financial statements for the third quarter of 2015, management discovered misstatements on the Consolidated Statements of Cash Flows (the "Cash Flow Statements"). These misstatements required changes to previously reported cash flow amounts, including capital expenditures, changes in accounts payable, changes in deferred and accrued income taxes and changes in other assets and liabilities. In order to correct the reported amounts for the affected historical periods, the Company's financial statements were restated for the following periods:

the three months ended March 31, 2015 and 2014;

the six months ended June 30, 2015 and 2014;

the years ended December 31, 2013 and 2012; and

revised for the following periods:

the nine months ended September 30, 2014; and

the year ended December 31, 2014.

The misstatements and subsequent corrections did not impact the Company's balance sheets and income statements nor impact compensation matters in any way. Management identified a material weakness in internal controls related to the misstatements and has actively implemented remediation efforts to address the material weakness. Two calendar quarters of successful testing must be conducted before management can consider the material weakness remediated. For more detailed disclosures, please see pages 64-65 of this Proxy Statement, the Company's amended filings with the SEC for the periods referenced above and the Company's Form 10-K for the year ended December 31, 2015.

BUSINESS ACCOMPLISHMENTS

We made substantial strides across the HEI enterprise in 2015, including the following highlights:

We successfully accessed the capital markets to help fund more than \$300 million of utility infrastructure investments to support clean energy and reliability.

Our utility, Hawaiian Electric, surpassed the State of Hawaii's goal of 15% renewables by 2015, with 23% of generation from renewable sources and with a decline of oil usage by about 18% over a seven-year period. Hawaiian Electric also leads the nation in integrating customer-sited solar by having approximately 60,000 rooftop PV systems "energized" in the grid systems in Hawaii. Close to 30% of all of the single family homes on the islands we serve have been approved for PV systems.

Our bank, American, exceeded its net income goal in 2015 as strong asset growth drove higher net interest income while maintaining strong credit quality. Deposit growth was also strong driving higher noninterest income.

MERGER AND SPIN UPDATE

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form DEF 14A

The merger agreement between HEI and NextEra Energy ("NEE"), signed on December 3, 2014, currently has a closing end date of June 3, 2016. Major milestones to closing were: (i) approval by shareholders of 75% of all outstanding shares of HEI common stock; and (ii) approval by the applicable federal and state regulatory agencies governing the proposed merger. The shareholder vote was successfully obtained in June 2015. All federal regulatory approvals have been obtained, or are expected to be obtained prior to closing. A condition precedent in the merger agreement is for the Federal Reserve Board to declare that HEI is no longer a savings and loan holding company, which is expected to occur after American is successfully spun off to HEI shareholders.

The two merger participants, HEI and NEE, are currently in the process of seeking regulatory approval from the State of Hawaii's Public Utilities Commission ("HPUC"). The HPUC review process has included: (i) filed testimony by the applicants; (ii) several months of discovery, including extensive document production and information requests from all 28 intervenors; (iii) a series of five HPUC public listening sessions throughout the islands of Hawaii; and (iv) twenty-two days of evidentiary hearings, which concluded on March 1, 2016. The parties and intervenors will file closing briefs, after which the HPUC may render a decision, although there is no statutory deadline for a decision. If the transaction does not close on or before June 3, 2016, either party may terminate the merger agreement. While both companies remain optimistic that a favorable decision will be forthcoming, no assurance can be given with respect to the outcome.

The proposed merger, if approved, would help accelerate Hawaii's clean energy transformation to 100% renewables by 2045.

Table of Contents

EXECUTIVE COMPENSATION HIGHLIGHTS PAYING FOR PERFORMANCE

The 2016 compensation program for our named executive officers is simple and straight-forward, and 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.

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 COMPANY PERFORMANCE

Under our pay-for-performance design, incentive payouts to named executive officers closely align with results. The following graphs show the performance-based payouts to the Chief Executive Officer (CEO) for net income and for TSR relative to the Edison Electric Institute (EEI) Index (Relative TSR) for 2015 and the four prior years. CEO annual incentive pay has aligned with the Company's core earnings over the past five years. Long-term incentive pay over the respective three-year periods tracked our Relative TSR results. In particular, because Relative TSR has lagged in the past several years, no payout was made with respect to the 2013-15 Relative TSR metric (which represented 50% of the CEO's long-term incentive opportunity).

**Annual Net Income Results and CEO Performance-
Based Annual Incentive Payouts**

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

1 Adjusted annual net income for compensation purposes differs from what is reported under GAAP because it reflects impacts excluded by the Compensation Committee in determining results achieved for purposes of annual incentive plans. See Exhibit B for a reconciliation of GAAP and non-GAAP figures used for incentive

compensation purposes.

Table of Contents

COMPENSATION COMMITTEE DECISION-MAKING

The Compensation Committee establishes pay programs and reviews performance results to ensure that named executive officer compensation aligns with shareholder interests. In addition, the Committee consults with an independent compensation consultant with respect to the design of the plans, performance results and reasonableness of pay decisions.

The Committee believes that named 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

No dividends or dividend equivalents paid on unearned performance shares

v

Table of Contents

PROXY STATEMENT

HEI is soliciting proxies for the Annual Meeting of Shareholders scheduled for Wednesday, May 4, 2016, at 10:00 a.m., Honolulu time, at the American Savings Bank Tower, 1001 Bishop Street, 8th floor, Room 805, Honolulu, Hawaii. 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 2015 Annual Report to Shareholders is March 22, 2016. The 2015 Annual Report to Shareholders accompanying this Proxy Statement is not considered proxy soliciting material.

ABOUT THE 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 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.

Any person claiming to be an authorized representative of a shareholder must produce written evidence of the authorization. Only one authorized representative may attend per absent shareholder.

Proposals subject to shareholder vote

Proposal No 1: Election of three Class II directors to serve a three-year term expiring at the 2019 Annual Meeting of Shareholders.

Proposal No 2: Advisory vote to approve HEI's executive compensation.

Proposal No 3: Ratification of the appointment of PricewaterhouseCoopers LLP (PwC) as HEI's independent registered public accounting firm for 2016.

Table of Contents

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 22, 2016, 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 under "How to vote" below.

Eligibility to vote

Only persons who own shares of HEI Common Stock as of the close of business on February 25, 2016 (the proxy record date) are entitled to vote.

Shares outstanding and entitled to vote

On February 25, 2016, 107,637,478 shares of HEI Common Stock were outstanding. Each shareholder is entitled to one vote for each share held on the record date. Under the Bylaws of HEI, shareholders do not have cumulative voting rights in the election of directors.

Quorum requirements

A quorum is needed to conduct business at the Annual Meeting. A majority of the shares of HEI Common Stock outstanding on February 25, 2016 and entitled to vote, and present in person or by proxy at the Annual Meeting, constitutes a quorum. Abstentions and broker votes 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 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. 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

Table of Contents

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/voting instruction 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 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 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, 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 American Savings Bank 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.

Table of Contents

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 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 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 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 votes on executive compensation are advisory, the result will not be binding on the Board.

However, the Board and 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 instructions because this proposal is considered a nonroutine matter. For this proposal, 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.

Other matters to be decided at the Annual Meeting

HEI knows of no business to be presented at the 2016 Annual Meeting other than the items set forth in this Proxy Statement. If other business is properly brought before the 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.

Table of Contents

Postponement or adjournment of Annual Meeting

If the 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 Annual Meeting.

Table of Contents

PROPOSAL NO. 1: ELECTION OF CLASS II 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 three nominees be elected at the 2016 Annual Meeting as Class II directors to serve until the 2019 Annual Meeting, or until his or her respective successor shall be duly elected and qualified:

Admiral Thomas B. Fargo
Kelvin H. Taketa
Jeffrey N. Watanabe

Admiral Fargo, Mr. Taketa and Mr. Watanabe are all incumbent Class II directors of HEI. The Board has determined that Adm. Fargo, Mr. Taketa and Mr. Watanabe are independent under the applicable standards for director independence, as discussed below under "Board of Directors Independent Directors." Each nominee has consented to serve for the new term expiring at the 2019 Annual Meeting if elected. If a nominee is unable to stand for election at the time of the 2016 Annual Meeting, the proxy holders listed in the proxy card may vote in their discretion for a suitable substitute.

The HEI Corporate Governance Guidelines provide that a director may not be nominated for re-appointment if he or she has attained the age of 72, unless such age limitation is specifically waived by the Nominating and Corporate Governance Committee and the Board. With the merger transaction with NextEra Energy, Inc. still pending, the Board believes it is important to maintain stability and consistency on the Board, and most especially in terms of the Board's leadership. Accordingly, the Nominating and Corporate Governance Committee and the Board waived the age limitation for Board Chairman Jeffrey N. Watanabe, who is 73 years of age as of the date of this Proxy Statement, and whose continued leadership the Board has deemed essential during this unique period in the company's history.

Information regarding the business experience and certain other directorships for each Class II director nominee and for each continuing Class I and III director is provided on pages 7-12 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.

Your Board recommends that you vote FOR each of the nominees for Class II Director listed above.

DIRECTOR NOMINEES FOR ELECTION

Nominees for Class II Directors whose terms expire at the 2019 Annual Meeting

Thomas B. Fargo

Director since 2005

Age 67

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 mainland, provides the Board with significant management expertise. Admiral Fargo has extensive knowledge of the U.S. military (a major customer of HEI's utility subsidiary and 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.

Business experience and other public company and HEI affiliate directorships since 2011

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

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

CEO, Hawaii Superferry, Inc. (interisland ferry), 2008-09

President, Trex Enterprises Corporation (defense research and development firm), 2005-08

Commander, U.S. Pacific Command, 2002-05

Director and Compensation and Nominating and Corporate Governance Committee member, The Greenbrier Companies, since 2015

Director and Audit Committee Member, Matson, Inc., since 2012

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

Director, Northrop Grumman Corporation, 2008-11

Director, Hawaiian Electric (HEI subsidiary), since 2005

Skills and qualifications for HEI Board service

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

Leadership, strategic planning and financial and nonfinancial risk assessment skills developed over 39 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 public and private company boards.

Kelvin H. Taketa

Director since 1993

Age 61

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. Mr. Taketa 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 Mr. Taketa a well-respected leader throughout the state of Hawaii.

Business experience and other public company and HEI affiliate directorships since 2011

CEO, Hawaii Community Foundation (statewide charitable foundation), since 2016; President and CEO 1998-2015

Director, Hawaiian Electric (HEI subsidiary), since 2004

Skills and qualifications for HEI Board service

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 the Stupski Foundation and the Hawaii Leadership Forum, and through publishing articles and lecturing on governance of tax-exempt organizations.

Table of Contents

Jeffrey N. Watanabe

Director since 1987

Age 73

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, strong consensus-building skills, and communication ability.

Business experience and other public company and HEI affiliate directorships since 2011

Managing Partner, Watanabe Ing & Komeiji LLP, 1972-2007 (now retired)

Director, Nominating and Corporate Governance Committee Chair and Compensation Committee Member, Matson, Inc., since 2012

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

Lead Independent Director, 2012-15, director 2003-15 and Nominating & Corporate Governance Committee Member, Alexander & Baldwin, Inc. (A&B)

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

Skills and qualifications for HEI Board service

Broad business, legal, corporate governance and leadership experience from serving as Managing Partner of the law firm he helped found, 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.

CONTINUING DIRECTORS

Continuing Class III Directors whose terms expire at the 2017 Annual Meeting

Peggy Y. Fowler

Director since 2011

Age 64

Audit Committee Member

Ms. Fowler brings a unique 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 the subsidiary bank operations.

Business experience and other public company and HEI affiliate directorships since 2011

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

President and CEO, PGE, 2000-08

Chairman of the Board and of the Risk and Governance and Executive Committees since 2012 and director since 2009, Umpqua Holdings Corp. (publicly traded bank holding company)

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

Director, PGE, 1998-2012

Skills and qualifications for HEI Board service

35 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.

Keith P. Russell

Director since 2011

Age 70

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 contributes 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 also has extensive knowledge and experience from his prior service as an officer of a lender to the electric utility industry.

Business experience and other public company and HEI affiliate directorships since 2011

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

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form DEF 14A

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

Director, ASB Hawaii (HEI subsidiary), since 2014

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

Director, Nationwide Health Properties, 2002-11

Skills and qualifications for HEI Board service

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 also 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.

Table of Contents

Barry K. Taniguchi

Director since 2004

Age 68

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.

Business experience and other public company and HEI affiliate directorships since 2011

Chairman and CEO since 2014 and President and CEO 1989-2014, KTA Super Stores (grocery store chain)

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

Director, ASB Hawaii (HEI subsidiary), since 2015

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

Skills and qualifications for HEI Board service

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 26 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.

Table of Contents

Continuing Class I Directors whose terms expire at the 2018 Annual Meeting

Constance H. Lau

Director 2001-04 and since 2006

Age 64

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 various leadership capacities that have spanned several functions across HEI and its subsidiaries, including the legal, financial and executive management functions. Over her more than 30 years of service to HEI and its subsidiaries, Ms. Lau acquired significant experience and expertise with respect to the utility and banking industries. Further, having been exposed to virtually all aspects of HEI's operations at the holding company and at both operating subsidiaries, Ms. Lau brings a unique and comprehensive perspective to the Board. Ms. Lau's expertise and leadership stature have been recognized nationally, leading her to be named by President Obama to chair the National Infrastructure Advisory Council, and to 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.

Current and prior positions with the Company

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 and Risk Committee Member since 2012, ASB (HEI subsidiary),

Chairman of the Board and CEO, ASB, 2008-10

Chairman of the Board, President and CEO, ASB, 2006-08

President and CEO and Director, ASB, 2001-06

Senior Executive Vice President and Chief Operating Officer and Director, ASB, 1999-2001

Treasurer, HEI, 1989-99

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

Treasurer, Hawaiian Electric, and Assistant Treasurer, HEI, 1987-89

Assistant Corporate Counsel, Hawaiian Electric, 1984-87

Other public company directorships since 2011

Director, Audit Committee Chair and Nominating and Corporate Governance Committee Member, Matson, Inc., since 2012

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

Skills and qualifications for HEI Board service

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.

Familiarity with current management and corporate governance practices from her service as a director, Audit Committee Chair and Nominating and Corporate Governance member for Matson, Inc. and as a director and Underwriting Committee Chair of AEGIS Insurance Services, Inc.

Experience with financial oversight and expansive knowledge of the Hawaii business community and 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 infrastructure, banking and energy, demonstrated by her appointment by President Obama to chair the National Infrastructure Advisory Council, membership on the federal Electricity Subsector Coordinating Council, prior service on the Federal Reserve Board of San Francisco's 12th District Community Depository Institutions Advisory Council, and her naming as a C3E Clean Energy Ambassador by the U.S. Department of Energy.

Table of Contents

A. Maurice Myers

Director since 1991

Age 75

Compensation Committee Member

Mr. Myers brings a wealth of knowledge and leadership skills to the Board. His extensive experience leading successful companies as chief executive officer, both in Hawaii and on the mainland, including several large public companies, provides the Board with significant management expertise. Having served on the Board for 25 years, Mr. Myers has gained in-depth knowledge of HEI and its operations. With this breadth and depth of experience, Mr. Myers is a valuable resource to management and other Board members and contributes substantially to the Board's capabilities in overseeing HEI's operations.

Business experience and other public company and HEI affiliate directorships since 2011

CEO and Owner, Myers Equipment Leasing LLC (equipment leasing company), since 2010

CEO and Director, POS Hawaii LLC (provider of point of sale business systems for restaurants and retailers), since 2009

CEO and Director, Wine Country Kitchens LLC (manufacturer of gourmet food products), since 2007

Chairman, CEO and President, Waste Management, Inc. (waste and environmental services provider), 1999-2004

Director, ASB Hawaii (HEI subsidiary), since 2014

Director since 2011 and Risk Committee Member since 2012, ASB (HEI subsidiary)

Director, Hawaiian Electric (HEI subsidiary), 2004-06 and 2009-11

Skills and qualifications for HEI Board service

20 years of public company executive and board leadership experience as Chairman, CEO and President of Waste Management, Inc., Chairman, CEO and President of Yellow Corporation, President of America West Airlines and CEO and President of Aloha Airgroup, Inc.

Practiced skills in risk assessment, strategic planning, financial oversight, customer and public relations and marketing exercised in leading successful restructuring efforts at Waste Management, Yellow Corporation and America West Airlines.

Diverse business experience and public and private company board experience, including from his prior service as a director and Compensation Committee chair for Tesoro Corporation and as a director for BIS Industries Limited and Cheap Tickets.

James K. Scott, Ed.D.

Director since 1995

Age 64

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.

Business experience and other public company and HEI affiliate directorships since 2011

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

Director, ASB (HEI subsidiary), since 2008

Skills and qualifications for HEI Board service

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

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

Governance and board leadership experience from his current positions as director and former Chair of the Hawaii Association of Independent Schools, member of the Advisory Board of the Klingenstein Center of Teachers College at Columbia University and trustee of the National Association of Independent Schools.

Table of Contents

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 to comply 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, Corporate Code of Conduct, as well as other governance documents) are available on HEI's website at www.hei.com.

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, but 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 Chief Executive Officer is evaluated by the Board;

attend all meetings of the Audit, Compensation and Nominating and Corporate Governance Committees of the Board as an observer and the Executive Committee of the Board as its chair. Since May 2011, Mr. Watanabe attends meetings of the Compensation Committee as a member;

serve on and/or advise the boards of HEI's primary operating subsidiaries, Hawaiian Electric Company and American Savings Bank, 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.

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form DEF 14A

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 between the independent directors and the Chairman or the Board as a whole, (iv) call meetings of the non-management or independent

Table of Contents

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 each of these boards and management of the respective subsidiary company as well as among members of each subsidiary board.

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 and legal compliance risks, credit and interest rate risks, competitive risks, liquidity 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 Company and American Savings Bank. The chief risk officer of Hawaiian Electric Company 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 reported by HEI's chief risk officer. 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.

Table of Contents

The Board has assigned to the Compensation Committee the specific risk oversight responsibility of reviewing whether the Company's compensation policies or practices encourage employees to take risks that are reasonably likely to have a material adverse effect on the Company and of recommending new or revised policies and practices to address any such risks identified. Included in this oversight responsibility is the Compensation Committee's review and evaluation of American Savings Bank'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.

The Board has 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 also assigned to the Audit Committee the responsibility of assisting the Board in overseeing the overall risk management strategy of the Company. In order to assist the Board with overall risk oversight, 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 in the Company's risk profile.

In addition to overall risk oversight by the HEI Board, the boards of HEI's primary operating subsidiaries, Hawaiian Electric Company and American Savings Bank, are specifically responsible for overseeing risks at their respective companies. The Hawaiian Electric Company Board has assigned responsibility for ongoing oversight of risk management to its Audit Committee and the American Savings Bank 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 also 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 mostly of nonemployee directors. The subsidiary audit committees are composed entirely of nonemployee directors who meet the independence requirements for audit committee members of companies listed on the NYSE.

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 may be 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 risk oversight is one of the areas in which having an independent Chairman or Lead Director is especially important in order to ensure that views that may differ 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.

Table of Contents

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 with all directors and 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. 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 or a member of management.

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, the committee considers:

the candidate's qualifications, consisting of his/her knowledge (including relevant industry knowledge), understanding of the Company's businesses, 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 to identify qualified director candidates, the Nominating and Corporate Governance Committee considers whether the candidate would contribute to the expertise, skills and professional experience, as well as to the diversity of the Board in terms of race, ethnicity, gender, age and

Table of Contents

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 angles 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 advantages to HEI.

With operations almost exclusively in the state of Hawaii, it is natural and 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 political and regulatory environment. Since a large pool of potential candidates for Board membership come from this state, the Board benefits from the unique racial diversity that exists in Hawaii. If the shareholders vote to elect the three director nominees proposed by the Board for election at the 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 72. In addition to the evaluation process discussed on page 20, 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 4) but does not receive the support of the majority of votes cast. In such an event, the Board will evaluate the reasons for the vote 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 unrelated to the specific director was the cause of the vote outcome and may take other action to address that issue.

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 committee consider talent development programs and succession candidates through the lens of Company strategy and anticipated future opportunities and challenges. At each of its meetings throughout the year, the committee reviews progress of talent

Table of Contents

development and succession programs and discusses internal and, where appropriate, 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 annually at a regularly scheduled Board meeting. In addition, high 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 HEI CEO and for other 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, sets forth procedures for submitting complaints or concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters on a confidential, anonymous basis.

Table of Contents

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. 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. Fargo, Myers, 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 Company or Hawaii Electric Light Company (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 Company and Hawaii Electric Light Company are the sole source of electric power on the islands of Oahu and Hawaii, 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 Messrs. Scott and Taketa, the Board considered charitable contributions in the last three fiscal years from HEI and its subsidiaries to nonprofit organizations where these directors serve as executive officers. None of the contributions exceeded the threshold in the HEI Categorical Standards that would automatically result in a director not being independent. In determining that these donations did not impair the independence of these directors, the Board also considered the fact that Company policy requires that charitable contributions from HEI or its

Table of Contents

subsidiaries to entities where an HEI director serves as an executive officer, and where the 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 Mr. Taketa, the Board considered modest fees paid during the last three fiscal years to the charitable foundation for which he serves as an executive officer for management of scholarship and nonprofit grant programs and concluded that such fees did not affect Mr. Taketa's independence. None of the fees paid within the last three fiscal years exceeded the threshold in the NYSE listing standards or HEI Categorical Standards that would automatically result in a director not being independent.

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 2015

In 2015, there were seven regular meetings and one special meeting of the Board. All directors attended more than 90% of the combined total number of meetings of the Board and Board committees on which they served.

Executive sessions of the Board

The nonemployee directors meet regularly in executive sessions without management present. In 2015, 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 other nonemployee directors chair the executive sessions.

Board attendance at annual meetings

Six of HEI's nine directors attended the 2015 Annual Meeting of Shareholders, which was held in August rather than the company's usual May annual meeting date due to HEI's 2015 special meeting of shareholders with respect to the proposed merger with NextEra Energy, Inc. HEI encourages all directors to attend each year's Annual Meeting of Shareholders.

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.

Table of Contents

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 committee members during 2015 and the number of meetings each committee held in 2015.

Name	Audit	Compensation	Executive	Nominating and Corporate Governance
Thomas B. Fargo		Chair		Member
Peggy Y. Fowler	Member			
Constance H. Lau ¹			Member	
A. Maurice Myers		Member		
Keith P. Russell	Member			
James K. Scott				Member
Kelvin H. Taketa				Chair
Barry K. Taniguchi	Chair		Member	
Jeffrey N. Watanabe		Member	Chair	
Number of meetings in 2015	9	5	0	3

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. 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 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. None of the 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 American

Table of Contents

Savings Bank'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.

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 Company and American Savings Bank 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 committee is currently composed of the Chairman of the Board, who chairs the committee, the Audit Committee Chairperson and the HEI President and CEO.

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. See "Corporate Governance" above for additional information regarding the activities of the Nominating and Corporate Governance Committee.

Table of Contents

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 for the challenging role of serving 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 no less frequently than once every three years and recommends changes to the Board. In late 2014, the committee asked its independent compensation consultant, Frederic W. Cook & Co. Inc. (Fred Cook & Co.), to conduct an evaluation of HEI's nonemployee director compensation practices. Fred Cook & Co. assessed the structure of HEI's nonemployee director compensation program and its value compared to competitive market practices of peer companies, similar to the assessments used in its executive compensation review, which is described under "Compensation Discussion and Analysis – We Use Comparative Market Data as a Reference Point for Compensation" below. Although the 2014 analysis indicated that HEI director compensation was below the median of HEI's peers, the Compensation Committee and HEI Board decided that in light of HEI's pending merger with NextEra Energy, Inc. no changes would be made to director compensation for 2015, thus maintaining 2015 director compensation at the same level as in 2014. 2014 director compensation was the same as in 2013, with the exception of modest changes concerning extra meeting fees, which were described in the 2015 proxy statement.

Components of director compensation

Cash retainer. HEI nonemployee directors received the cash amounts shown below as retainer for their 2015 HEI Board service and for their 2015 service on HEI and subsidiary board committees. No separate fees are paid to HEI directors for service on subsidiary company boards. Cash retainers were paid in quarterly installments.

Position	2015 Retainer
HEI Nonexecutive Chairman of the Board	\$250,000
HEI Director	65,000
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 Company Audit Committee Chair	10,000
Hawaiian Electric Company Audit Committee Member	4,000
American Savings Bank Audit Committee Chair	10,000
American Savings Bank Audit Committee Member	4,000
American Savings Bank Risk Committee Chair	10,000
American Savings Bank Risk Committee Member	4,000

Table of Contents

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 Company Audit Committee	\$1,000 per meeting after 6 meetings
American Savings Bank Audit Committee	\$1,000 per meeting after 10 meetings
American Savings Bank Risk Committee	\$1,000 per meeting after 6 meetings

Stock awards. On June 30, 2015, each HEI nonemployee director received shares of HEI Common Stock with a value equal to \$75,000 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, 2015. 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. Mr. Myers is the only current director still eligible to receive benefits under the terminated plan. Upon his retirement from service as a director, Mr. Myers is eligible to receive retirement benefits in an annual total of \$15,000, for a period equal to the number of years of his service through December 31, 1996 (6 years). 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 disability, death or 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. Mr. Taketa was the only nonemployee director who participated in this plan in 2015.

Nonemployee directors are also eligible to participate in the HEI Nonemployee Directors' Deferred Compensation Plan, as amended January 1, 2009, although no nonemployee director participated in such plan in 2015.

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 Company or American Savings Bank employees. No nonemployee director participated in such plans in 2015.

Table of Contents**2015 DIRECTOR COMPENSATION TABLE**

The table below shows the compensation paid to HEI nonemployee directors in 2015.

Name	Fees Earned or Paid in Cash (\$) ³	Stock Awards (\$) ⁴	Change in Pension Value & Nonqualified Deferred Compensation Earnings	Total (\$)
			(\$) ⁵	
Thomas B. Fargo	84,000	75,000		159,000
Peggy Y. Fowler	75,000	75,000		150,000
A. Maurice Myers	75,000	75,000		150,000
Keith P. Russell	85,000	75,000		160,000
James K. Scott	69,000	75,000		144,000
Kelvin H. Taketa ¹	75,000	75,000		150,000
Barry K. Taniguchi	90,000	75,000		165,000
Jeffrey N. Watanabe, Chairman ²	321,000	75,000		396,000

1

In 2015, Mr. Taketa elected to defer \$60,000 of his fees under the 2011 Deferred Compensation Plan. Mr. Taketa did not have above-market or preferential earnings on nonqualified deferred compensation in 2015.

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 American Savings Bank Board and Executive Committee. As explained above, HEI directors do not receive additional compensation for service on the boards of HEI's subsidiaries but do receive fees for service on subsidiary committees. Mr. Watanabe's responsibilities are described above under "Corporate Governance – The Board's leadership structure."

3

See detail of cash retainers for Board and committee service below.

4

As discussed above under "Components of director compensation," HEI nonemployee directors received shares of HEI Common Stock valued at \$75,000 as the annual grant to HEI directors under the HEI 2011 Nonemployee Director Stock Plan.

5

As discussed above under "Components of director compensation," pension benefits for Mr. Myers were frozen in 1996, when the HEI Nonemployee Director Retirement Plan was terminated. Accordingly, he does not receive credit for service after 1996 under that plan. Change in pension value reflects actuarial

assumptions, such as discount rate. The value of Mr. Myers' pension declined in 2015. In accordance with SEC rules, this decline in pension value is shown as no change in the chart above.

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

Name	HEI	HEI	HEI	HECO	ASB Audit	ASB Risk	Total
	Board Retainer	Committee Retainer	Chairman Retainer	Audit Committee Retainer	Committee Retainer	Committee Retainer	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Thomas B. Fargo	65,000	19,000					84,000
Peggy Y. Fowler	65,000	6,000		4,000			75,000
A. Maurice Myers	65,000	6,000				4,000	75,000
Keith P. Russell	65,000	6,000			4,000	10,000	85,000
James K. Scott	65,000	4,000					69,000
Kelvin H. Taketa	65,000	10,000					75,000
Barry K. Taniguchi	65,000	15,000			10,000		90,000
Jeffrey N. Watanabe, HEI Chairman	65,000	6,000	250,000				321,000

Director stock ownership and retention

HEI directors are required to own and retain HEI stock throughout their service with the Company. Each director 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: Chairman of the Board 2x annual cash retainer, other HEI directors 5x annual cash retainer. As of January 1, 2016, 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 Committee has the authority to approve hardship exceptions to these retention requirements.

Table of Contents

PROPOSAL NO. 2: ADVISORY VOTE TO APPROVE HEI'S EXECUTIVE COMPENSATION

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 compensation philosophy, policies and practices described in this Proxy Statement.

The Compensation Committee and Board believe that HEI's executive compensation program 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 2016 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.

We currently hold a say-on-pay vote every year, consistent with the vote of our shareholders at our 2011 Annual Meeting. Shareholders have an opportunity to cast an advisory vote on the *frequency* of say-on-pay votes at least once every six years. We will hold our next advisory vote on the frequency of say-on-pay votes no later than 2017.

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 program.

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.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This section describes our executive compensation program and the compensation decisions made for our 2015 named executive officers. Three of our named executive officers are executives at HEI (the holding company), one currently leads Hawaiian Electric Company (our electric utility subsidiary), and one heads American Savings Bank (our bank subsidiary):

Name	Title	Entity
Constance H. Lau	HEI President & CEO	Holding company
James A. Ajello	HEI Executive Vice President & Chief Financial Officer	Holding company
Chet A. Richardson	HEI Executive Vice President, General Counsel, Secretary & Chief Administrative Officer	Holding company
Alan M. Oshima	Hawaiian Electric Company President & CEO	Electric utility subsidiary
Richard F. Wacker	American Savings Bank President & CEO	Bank subsidiary

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 (Committee) follows these guiding principles:

pay should reflect Company performance, particularly over the long-term,

compensation programs should align executive interests with those of our shareholders,

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 is simple and straight-forward. The program is comprised of 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 over fixed 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.

Table of Contents

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 Benchmark toward the competitive median 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 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 repricing of underwater equity-based grants

No dividends or dividend equivalents on unearned performance shares

2015 say-on-pay vote and 2016 program

At our 2015 Annual Meeting, approximately 90% of votes cast approved our executive compensation program through the advisory say-on-pay vote. The Compensation Committee reviewed this say-on-pay result and considered this vote to be supportive of the Company's executive compensation program and determined not to make any significant changes to the program for the compensation cycle beginning in 2016.

How we make compensation decisions

Our roles in determining compensation are well-defined

Compensation Committee

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

Table of Contents

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 and also show historical compensation)

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 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.

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

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 Committee with respect to their levels of compensation and mix of pay elements. She also participates in Board deliberations in acting on the Committee's recommendations regarding the other named executive officers. She does not participate in the deliberations of the Committee to recommend, or of the Board to determine, her own compensation.

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

Compensation consultant & consultant independence

The Committee's independent compensation consultant, Frederic W. Cook & Co., Inc. (Fred Cook & Co.), is retained by, and reports directly to, the Committee. Fred Cook & Co. provides the 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. Fred Cook & Co. also advises the Committee regarding analyses and proposals presented by management. A representative of Fred Cook & Co. generally attends Committee meetings, participates in Committee executive sessions, and communicates directly with the Committee.

In early 2016, as in 2015, the Committee evaluated Fred Cook & Co.'s independence, taking into account all relevant factors, including the factors specified in the NYSE listing standards and the absence of other relationships between Fred Cook & Co. and the Company, its directors or executive officers. Based on its review of such factors, and based on Fred Cook & Co.'s independence policy, which was shared with the Committee, the Committee concluded that Fred Cook & Co. is independent and that the work of Fred Cook & Co. has not raised any conflict of interest.

Table of Contents

We use comparative market data as a reference point for compensation

Compensation benchmarking

The Committee considers comparative market compensation as a reference in determining pay levels and mix of pay components. While the 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 the comparative market median, the 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 and retention and succession considerations.

Comparative market data used in setting 2015 executive pay consisted of information from public company proxy statements for peer group companies and, for Ms. Lau, Mr. Ajello, Mr. Oshima and Mr. Richardson, data from the Towers Watson Energy Services Survey, which consists of compensation data for 94 companies. The data was regressed based on revenues of \$3.3 billion for appropriate size comparison for HEI.

Comparative market data available in late 2014 was used to establish the 2015 target compensation opportunity. On the basis of such data, the Committee set the target compensation opportunity for all named executive officers at approximately the comparative market median.

Peer Groups **Compensation peers**

The Committee annually reviews the peer groups used in benchmarking for HEI and subsidiary executive compensation, with analysis and recommendations provided by Fred Cook & Co.

For 2015 compensation, the Committee used one peer group for the compensation of the named executive officers employed by HEI (Ms. Lau, Mr. Ajello and Mr. Richardson) and its electric utility (Mr. Oshima) and used a separate peer group for the named executive officer employed by ASB (Mr. Wacker), given the differences in ASB's business from the business of HEI's utility subsidiaries.

Table of Contents

For 2015, the Committee determined, with input from Fred Cook & Co., that HEI's peer group should be set to situate HEI near the median for revenues. The Committee determined that the companies in the 2014 bank subsidiary peer group remained appropriate and no changes to that peer group were needed for 2015, except for the removal of Prosperity Bancshares, which was removed because its total assets exceeded 3x ASB's total assets. The selection criteria and resulting 2015 HEI and bank subsidiary peer groups are set forth below.

	HEI 2015 Peer Group (applies to Ms. Lau, Mr. Ajello, Mr. Oshima and Mr. Richardson)	Bank Subsidiary 2015 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 Available compensation data	High-performing regional banks and thrifts Total assets balanced in a range of approximately 0.5x to 2x American Savings Bank's total assets Available compensation data																																										
Peer Group for 2015 Compensation	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Alliant Energy</td> <td style="width: 50%;">Pepco Holdings</td> </tr> <tr> <td>Ameren</td> <td>Pinnacle West</td> </tr> <tr> <td>Avista</td> <td>PNM Resources</td> </tr> <tr> <td>CenterPoint Energy</td> <td>Portland General Electric</td> </tr> <tr> <td>CMS Energy</td> <td>SCANA</td> </tr> <tr> <td>Eversource Energy*</td> <td>TECO Energy</td> </tr> <tr> <td>Great Plains Energy</td> <td>UIL Holdings</td> </tr> <tr> <td>Integrus Energy</td> <td>Vectren</td> </tr> <tr> <td>MDU Resources</td> <td>Westar Energy</td> </tr> <tr> <td>NiSource</td> <td>Wisconsin Energy</td> </tr> <tr> <td>OGE Energy</td> <td></td> </tr> </table>	Alliant Energy	Pepco Holdings	Ameren	Pinnacle West	Avista	PNM Resources	CenterPoint Energy	Portland General Electric	CMS Energy	SCANA	Eversource Energy*	TECO Energy	Great Plains Energy	UIL Holdings	Integrus Energy	Vectren	MDU Resources	Westar Energy	NiSource	Wisconsin Energy	OGE Energy		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">1st Source BancFirst</td> <td style="width: 50%;">Flushing Financial</td> </tr> <tr> <td>Bank of Hawaii</td> <td>Glacier Bancorp</td> </tr> <tr> <td>Bank of the Ozarks</td> <td>Great Southern Bancorp</td> </tr> <tr> <td>Central Pacific Financial</td> <td>IBERIABANK</td> </tr> <tr> <td>City Holding Company</td> <td>Independent Bank</td> </tr> <tr> <td>Community Bank System</td> <td>NBT Bancorp</td> </tr> <tr> <td>CVB Financial</td> <td>Park National</td> </tr> <tr> <td>Dime Community Bancshares</td> <td>Republic Bancorp</td> </tr> <tr> <td>First Financial</td> <td>United Bankshares</td> </tr> <tr> <td></td> <td>Westamerica Bancorp</td> </tr> </table>	1st Source BancFirst	Flushing Financial	Bank of Hawaii	Glacier Bancorp	Bank of the Ozarks	Great Southern Bancorp	Central Pacific Financial	IBERIABANK	City Holding Company	Independent Bank	Community Bank System	NBT Bancorp	CVB Financial	Park National	Dime Community Bancshares	Republic Bancorp	First Financial	United Bankshares		Westamerica Bancorp
Alliant Energy	Pepco Holdings																																											
Ameren	Pinnacle West																																											
Avista	PNM Resources																																											
CenterPoint Energy	Portland General Electric																																											
CMS Energy	SCANA																																											
Eversource Energy*	TECO Energy																																											
Great Plains Energy	UIL Holdings																																											
Integrus Energy	Vectren																																											
MDU Resources	Westar Energy																																											
NiSource	Wisconsin Energy																																											
OGE Energy																																												
1st Source BancFirst	Flushing Financial																																											
Bank of Hawaii	Glacier Bancorp																																											
Bank of the Ozarks	Great Southern Bancorp																																											
Central Pacific Financial	IBERIABANK																																											
City Holding Company	Independent Bank																																											
Community Bank System	NBT Bancorp																																											
CVB Financial	Park National																																											
Dime Community Bancshares	Republic Bancorp																																											
First Financial	United Bankshares																																											
	Westamerica Bancorp																																											

* *Previously named Northeast Utilities*

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") is based on performance relative to performance peers. HEI's Relative Total Shareholder Return (TSR) performance is measured against the performance of 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 39 for an explanation of ASB's Relative ROA. See Note 1 to the "2013-15

Table of Contents

Long-Term Incentive, Performance Metrics & Why We Use Them" table on page 41 for an explanation of HEI's Relative TSR. The performance peers for both metrics are set forth below:

Edison Electric Index (EEI) Peers for HEI Long-Term Incentive Plan Relative Total Shareholder Return Metric (3-year Total Return for 1/1/2013 through 12/31/15)

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.

Allete, Inc.	Duke Energy Corp.	NextEra Energy Inc.	SCANA Corp.
Alliant Energy Corp.	Edison International	NiSource Inc.	Sempra Energy
Ameren Corp.	El Paso Electric Co.	NorthWestern Corp.	Southern Co.
American Electric Power Co.	Empire District Electric Co.	OGE Energy Corp.	TECO Energy
Avista Corp.	Entergy Corp.	Otter Tail Corp.	UIL Holdings Corp.
Black Hills Corp.	Eversource Energy	Pepco Holdings Inc.	Unitil Corp.
Centerpoint Energy Inc.	Exelon Corp.	PG&E Corp.	Vectren Corp.
Cleco Corp.	FirstEnergy Corp.		