

HAWAIIAN ELECTRIC INDUSTRIES INC
Form DEF 14A
March 25, 2019

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

SCHEDULE 14A

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

Filed by the Registrant

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)

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March 25, 2019

Dear Fellow Shareholder:

On behalf of the Board of Directors of Hawaiian Electric Industries, Inc. (HEI), it is my pleasure to invite you to attend the 2019 Annual Meeting of Shareholders (2019 Annual Meeting) of HEI. The meeting will be held on Tuesday, May 7, 2019 at 10:00 a.m., Hawaii time at HEI's premises in Room 805 on the eighth floor of the American Savings Bank Tower, located at 1001 Bishop Street, Honolulu, Hawaii 96813. A map showing the location of the meeting site appears on the last page of the enclosed Proxy Statement.

The Notice of Annual Meeting of Shareholders and Proxy Statement that accompany this letter describe the business to be conducted during the 2019 Annual Meeting.

Your vote is very important. Whether or not you attend the meeting in person, and no matter how many shares you own, it is important that your views be represented. **Please vote by signing and returning your proxy card or by using telephone or internet voting. Instructions on how to vote are on pages 72-73 of the Proxy Statement.**

For further details on HEI's accomplishments in 2018, please see my letter in the accompanying Annual Report, as well as our Independent Chairman's letter to follow.

The Board of Directors and management team of HEI would like to express our appreciation to you for your confidence and support. I look forward to seeing you at the 2019 Annual Meeting in Honolulu.

Sincerely,

Constance H. Lau
President and Chief Executive Officer

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A Message from Our Independent Chairman

Dear Fellow Shareholder,

At Hawaiian Electric Industries (HEI), your board is committed to the highest standards of ethics and good corporate governance, promoting integrity, accountability, transparency and sound decision-making. As Chairman, I value this chance to share our board's priorities for achieving our objectives of creating long-term shareholder value and ensuring the vitality of HEI for all who rely on our company, from our shareholders and customers to our employees and the communities we serve.

Board Refreshment and Governance

To support and advance our company's priorities, including our work to achieve Hawaii's leading renewable energy goals, we are focused on ensuring we have the right mix of directors with the collective expertise to guide our strategy. We are deeply committed to maintaining diverse perspectives, and 64% of our directors are women or from diverse ethnic backgrounds. We are excited to nominate three new directors for election to the board this year, two of whom are women and all of whom bring excellent skills and experience to add to the strength of our talented board.

Celeste Connors has extensive experience developing policy on sustainability and climate change and bringing stakeholders together to address policy challenges. Mary Powell is the CEO of a utility known for its customer focus and innovative green energy initiatives. And Jim Scilacci has in-depth utility and financial expertise. As a board, we took great care in evaluating the needs of our company and assessing potential board candidates. We highly recommend Celeste, Mary and Jim to you, our shareholders, for election to the board. To learn more about them, please see pages 2-5 of this proxy statement.

After 25 years of dedicated service to HEI's board, much of which as a valued chair of our Nominating & Corporate Governance Committee, Kelvin Taketa will not stand for re-election. We have appointed Peggy Fowler as the new Chair of our Nominating & Corporate Governance Committee. In addition, as part of our planned board leadership transition, Admiral Tom Fargo, who serves as Chair of our Compensation Committee and has been nominated for re-election to the board, will be appointed Vice Chair of the Board if elected at this annual meeting.

While this year reflects a number of changes in our board composition, board refreshment is a continuous process. We conduct annual board and committee self-evaluations and periodic self and peer reviews to ensure the board's skills align with our strategy. In addition to expertise in utilities and banking, our board has significant leadership experience and deep expertise in regulation, renewable energy, infrastructure resilience, risk management, financial oversight, strategic and operational management of complex organizations and corporate transformation. With our operations and strategy focused on Hawaii, our success is inextricably linked to the health of Hawaii's economy and communities. Thus, it is critically important to have directors who are connected to and understand our communities and the unique regulatory and community considerations of operating in our islands. Finally, our board continues to prioritize diversity and independence, which encourage the constructive expression of views that may differ from those of senior management, particularly in setting our strategic direction.

Board Oversight of Strategy and Capital Allocation

The board meets regularly to assess HEI's strategy, including the development and investment in opportunities that serve as catalysts for a better Hawaii. Our place-based strategy and sustained financial performance provide the resources to invest in the company's strategic growth and a sustainable future for our state, while delivering shareholder value. Our strong investment grade balance sheet provides efficient access to growth capital and our consolidated enterprise and efficient capital structure limit our need for external equity. Over the last five years, we have invested \$2 billion in Hawaii infrastructure, loaned \$7.8 billion to Hawaii customers and returned approximately

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\$600 million in dividends to shareholders. In addition, our total return to shareholders has outperformed both the S&P 500 and broader utility index over one-, three- and five-year periods.

Culture and Our Teammates

We are dedicated to creating a better Hawaii. We reflect this commitment through our efforts to provide products and services that enhance our customers' lives, and in our work to protect Hawaii's unique environment, strengthen our economy, support our communities and act with integrity and accountability.

Our board oversees and works with management to find and cultivate the talent our organization needs to continue delivering value for our shareholders, customers and communities. Our employees are committed to the company's foundational values: integrity, excellence, aloha and safety. In turn, we as a board have prioritized investment in our employees, providing opportunities for challenge, growth and advancement. We offer numerous training courses and extensive wellness programs focusing on improving overall employee health across the enterprise. I'm pleased to announce that American Savings Bank continues to receive recognition for its excellent workplace culture, and has been named one of Hawaii Business Magazine's "Best Places to Work" for ten consecutive years.

Our Focus on Risk Oversight

The board spends significant time on risk oversight. We have a board-approved consolidated enterprise risk management system designed to identify and assess risks across the HEI enterprise and report risks to the board, along with proposed strategies for mitigating such risks.

At least annually, the board conducts a strategic planning and risk review, during which we evaluate the company's fundamental financial and business strategies and assess major risks facing the company and options to mitigate those risks. Based on the review, the board and senior management, including the HEI Chief Risk Officer, identify key issues to be addressed during the next calendar year.

Meaningful Shareholder Engagement

We believe strong corporate governance includes engaging with our shareholders and considering their views. Over the past year, our company reached out to or engaged in meetings and discussions with shareholders representing more than 65% of our institutional shareholder base. These meetings covered our financial and operational performance, our progress toward renewable energy goals, executive compensation and board and governance policies, and involved our independent directors as appropriate. This engagement provides valuable insight that informs the work of both management and the board.

We look forward to the year ahead as we continue our work to create long-term shareholder, customer and community value. On behalf of the Board of Directors, thank you for your continued support.

Aloha,

Jeffrey N. Watanabe
Chairman of the Board

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NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS

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

When:	Tuesday, May 7, at 10:00 a.m., Hawaii Time
Where:	American Savings Bank Tower, 1001 Bishop Street, 8th Floor, Room 805, Honolulu, Hawaii 96813
Items of Business:	Proposal 1 Election of four Class II directors to serve for a three-year term expiring at the 2022 Annual Meeting of Shareholders and election of one Class III director to serve until the 2020 Annual Meeting of Shareholders Proposal 2 Advisory vote to approve the compensation for HEI's named executive officers Proposal 3 Approval of extension of the term of the Hawaiian Electric Industries, Inc. 2011 Nonemployee Director Stock Plan and increase in the number of shares available for issuance thereunder Proposal 4 Ratification of the appointment of Deloitte & Touche LLP as HEI's independent registered public accountant for 2019 To transact such other business as may properly come before the 2019 Annual Meeting
Record Date:	March 1, 2019
Annual Report:	The 2018 Annual Report to Shareholders, which is not part of the proxy solicitation materials, has been mailed or made available electronically to shareholders, along with this Notice of 2019 Annual Meeting of Shareholders and accompanying Proxy Statement.
Who Can Attend:	Only shareholders of record as of the record date are entitled to receive notice of, attend and vote at the 2019 Annual Meeting. To attend, you must bring government-issued photo identification. If your shares are held in street name, you must also bring evidence of ownership on the record date (such as a brokerage account statement). If you represent an entity that is a shareholder, you will also need proof of authority for representation.
Date of Mailing:	On or about March 25, 2019, these proxy materials and annual report are being mailed or made available to shareholders.

How To Vote Your Shares

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

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

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

By Mail: You can vote by mail by marking, dating, and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.

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

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

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Any proxy may be revoked in the manner described on page 74 in the accompanying Proxy Statement.

It is important that you vote your shares. To ensure that your shares are voted, please follow the instructions on the proxy card to either complete and return the proxy card or vote by telephone or over the internet. Mailing your proxy card or voting by telephone or over the internet does not preclude you from changing your vote in person at the 2019 Annual Meeting of Shareholders (the 2019 Annual Meeting).

Important Notice Regarding the Internet Availability of Proxy Materials for the 2019 Annual Meeting of Shareholders to be held on May 7, 2019

The accompanying Proxy Statement, 2018 Annual Report to Shareholders and 2018 Annual Report on Form 10-K are available at <http://www.hei.com>

By Order of the HEI Board of Directors,

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

March 25, 2019

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