



AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger (this "Agreement") dated as of July 1, 1983, by and among HAWAIIAN ELECTRIC COMPANY, INC., NEW HECO, INC. and HAWAIIAN ELECTRIC INDUSTRIES, INC.

WITNESSETH:

WHEREAS, HAWAIIAN ELECTRIC COMPANY, INC. (herein-after sometimes referred to as "Heco"), is a corporation organized under the laws of the Kingdom of Hawaii on October 13, 1891 and existing under the laws of the State of Hawaii, and has its principal office at 900 Richards Street, Honolulu, Hawaii, and has authorized and outstanding capital stock as set forth in Article V hereof; and

WHEREAS, NEW HECO, INC. (hereinafter sometimes referred to as "New Heco"), is a corporation organized under the laws of the State of Hawaii on July 30, 1981, and has its principal office at 900 Richards Street, Honolulu, Hawaii. New Heco has an authorized capital stock of 1,000 shares of common stock of the par value of \$1.00 per share, all of which are outstanding and owned by Hawaiian Electric Industries, Inc.; and

WHEREAS, Heco and New Heco are hereinafter sometimes referred to collectively as the "Constituent Corporations"; and

WHEREAS, HAWAIIAN ELECTRIC INDUSTRIES, INC. (herein-after sometimes referred to as "Industries") is a corporation organized under the laws of the State of Hawaii on July 20, 1981 and has its principal office at 900 Richards Street, Honolulu, Hawaii, and has an authorized capital stock consisting of 15,000,000 shares of common stock of the par value of \$6 2/3 per share, of which 1,000 shares are outstanding and are owned by Heco, and 500,000 shares of preferred stock of the par value of \$100 per share, none of which are outstanding.

NOW, THEREFORE, in consideration of the premises and the agreements herein contained, the parties agree that New Heco will be merged into Heco, the latter being the surviving corporation, on the following terms and conditions:

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS STATE OF HAWAII Filed on - 8:56 A.M. July 1, 1983

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ARTICLE I

Corporate Existence of Surviving Corporation

(A) In accordance with this Agreement, New Heco shall be merged into Heco in the manner and with the effect provided by the statutes of the State of Hawaii. The separate existence of New Heco shall cease as soon as the merger shall become effective, and thereupon New Heco and Heco shall become a single corporation (hereinafter sometimes referred to as the "Surviving Corporation"), to wit, Heco, which shall survive such merger and shall continue to exist under, and be governed by, the laws of the State of Hawaii. The time at which the Constituent Corporations shall so become said single corporation is herein referred to as the "Effective Date". The name of the Surviving Corporation shall be "Hawaiian Electric Company, Inc."

(B) Prior to the Effective Date, Industries shall take the necessary corporate action (i) to authorize and issue to New Heco a sufficient number of shares of common stock of Industries to effect the merger on a share-for-share basis in the manner provided for in this Agreement, and (ii) to reserve for issuance, and issue from time to time as required, such shares of common stock of Industries as shall become issuable upon conversion of Heco's outstanding Series L Cumulative Convertible Preferred Stock, and the outstanding 6 1/2% Convertible Subordinated Notes of Hawaii Electric Light Company, Inc. (hereinafter sometimes referred to as "Helco"), a wholly owned subsidiary of Heco.

ARTICLE II

Articles of Association and By-Laws of Surviving Corporation

(A) No change in the Articles of Association of Heco, which shall constitute the Articles of Association of the Surviving Corporation, will be effected by the merger. The Articles of Association of the Surviving Corporation are set forth in full in Appendix 1 attached hereto and made a part hereof.

(B) No change in the By-Laws of Heco, which shall constitute the By-Laws of the Surviving Corporation, will be effected by the Merger.

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ARTICLE III

Manner and Basis of Converting Shares  
and Distributing or Exchanging Assets in Lieu Thereof

(A) The manner and basis of converting shares of the Constituent Corporations into shares of the Surviving Corporation and distributing or exchanging assets of a Constituent Corporation in lieu of shares of the Surviving Corporation shall be as hereinafter set forth in this Article III.

(B) Each share of common stock of New Heco issued and outstanding on the Effective Date shall by virtue of the merger and without any action on the part of the holder thereof, be converted into and become 7,552.036 shares of new common stock of the Surviving Corporation, which shall thereupon be fully paid and nonassessable. As a result 7,552,036 shares of common stock of Heco will be issued to Industries.

(C) Each share of common stock of Heco issued and outstanding on the Effective Date (other than (i) shares of Heco into which shares of New Heco have been converted pursuant to paragraph (B) above and (ii) dissenting shares, as defined in Section 417-21, Hawaii Revised Statutes, which shall have the rights and be extinguished as provided by Hawaii law) shall, by virtue of the merger and without any action on the part of the holder thereof, be deemed cancelled and in lieu of shares of the Surviving Corporation there shall be distributed or exchanged with respect to each share of Heco common stock so cancelled one share of fully paid and nonassessable common stock of Industries, which on the Effective Date shall be an asset of New Heco. As a result, the holders of common stock of Heco (other than those who perfect their dissenters' rights) will receive on a share-for-share basis shares of common stock of Industries for their common stock of Heco. The common stock of Heco so changed into Industries common stock is herein sometimes referred to as the "Converted Heco Stock".

(D) From and after the Effective Date each certificate of Converted Heco Stock shall evidence ownership of Industries common stock on the basis hereinbefore set forth. The aforesaid exchange shall be complete and effective on the Effective Date without regard to the date or dates upon which the outstanding certificates representing Converted Heco Stock are surrendered for certificates of Industries common stock as provided hereinafter.

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(E) After the Effective Date, each holder of an outstanding certificate or certificates theretofore representing shares of Converted Heco Stock may surrender the same to an agent or agents designated by the Surviving Corporation, and such holder shall be entitled upon such surrender to receive in exchange therefor one share of Industries common stock for each share of Converted Heco Stock surrendered. Until so surrendered, each such outstanding certificate representing shares of Converted Heco Stock shall be deemed for all corporate purposes to evidence the ownership of an equal number of shares of Industries common stock. The stock transfer books for Converted Heco Stock shall be deemed closed on the Effective Date and no transfer of shares of Converted Heco Stock shall thereafter be made on the books of Heco.

(F) All shares of common stock of Industries into which shares of Heco common stock shall have been changed pursuant to this Article III shall be deemed to have been issued in full satisfaction of all rights pertaining to the Converted Heco Stock, subject, however, to the Surviving Corporation's obligation to pay such dividends, if any, as may have been declared by Heco on such shares of Heco common stock and as remain unpaid at the Effective Date.

(G) Each share of Heco common stock issuable or reserved for issuance upon conversion of Helco's 6 1/2% Convertible Subordinated Notes shall be and become issuable and reserved for issuance as one share of common stock of Industries. Each .96 of a share of Heco common stock issuable or reserved for issuance upon conversion of Heco's outstanding Series L Convertible Preferred Stock shall be and become issuable and reserved for issuance as .96 of a share of common stock of Industries. Industries shall become responsible for the issuance of such shares of common stock of Industries in substitution for shares of Heco common stock.

(H) The 1,000 shares of Industries common stock issued and outstanding prior to the Effective Date (all of which are owned by Heco) shall on the Effective Date be sold by Heco to Industries. Such shares thereafter will be held by Industries as treasury stock (and therefore not counted as outstanding stock for any purpose) until the shares are issued for a proper corporate purpose by Industries or are retired upon reduction of capital. As a result, all the outstanding common stock of Industries will be owned by the former stockholders of Heco after the Effective Date.

ARTICLE IV

Directors and Officers of Surviving Corporation

(A) The directors of Heco will continue in office as directors of the Surviving Corporation.

(B) The officers of Heco will continue in office as officers of the Surviving Corporation.

(C) The names and addresses of the persons to be directors and officers of the Surviving Corporation (who are the present directors and officers of Heco) and their respective terms of office are set forth in Appendix 2 attached hereto and made a part hereof.

ARTICLE V

Capitalization of the Surviving Corporation

(A) The designation and number of authorized and issued and outstanding shares of stock of the Surviving Corporation are as follows:

(1) 10,000,000 shares of Common Stock, par value of \$6 2/3 per share, are authorized, of which 7,552,036 shares are issued and outstanding.

(2) 3,848,735 shares of Cumulative Preferred Stock, par value of \$20 per share, are authorized, of which a total of 1,145,176 shares are issued and outstanding in the following Series:

<u>Series</u>	<u>Number of Shares Outstanding</u>
C .....	150,000
D .....	50,000
E .....	150,000
H .....	250,000
I .....	89,657
J .....	250,000
K .....	175,000
L .....	30,519

(3) 750,000 shares of Cumulative Preferred Stock, par value of \$100 per share, are authorized,

of which a total of 307,401 shares are issued and outstanding in the following Series:

<u>Series</u>	<u>Number of Shares Outstanding</u>
M .....	80,000
N .....	112,401
O .....	65,000
P .....	50,000

(B) The preferences, voting powers, restrictions and qualifications of the classes of stock of the Surviving Corporation are set forth in Appendix 3 attached hereto and made a part hereof.

ARTICLE VI

Miscellaneous Provisions

(A) Upon and as of the Effective Date:

(1) Heco shall amend the Tax Reduction Act Stock Ownership Plan of Hawaiian Electric Company, Inc. and Subsidiaries to provide for investment in the common stock of Industries rather than common stock of Heco, and Industries shall consent and agree to such investment and to take such action as may be necessary to insure the continued qualification of said plan as a tax credit employee stock ownership plan under Section 409A of the Internal Revenue Code of 1954, as amended.

(2) The Stockholder Dividend Reinvestment and Stock Purchase Plan of Hawaiian Electric Company, Inc. shall be assumed by Industries and amended to provide for investment of dividends and optional payments solely in common stock of Industries.

(B) The obligations of Industries, Heco and New Heco to effect this Agreement shall be subject to:

(1) obtaining satisfactory rulings from the Internal Revenue Service with respect to the federal income tax consequences of the transactions contemplated by this Agreement;

(2) receiving a satisfactory order from the Public Utilities Commission of the State of Hawaii

with respect to the transactions contemplated by this Agreement;

(3) receiving a satisfactory order from the Securities and Exchange Commission with respect to the transactions contemplated by this Agreement pursuant to the Public Utility Holding Company Act of 1935;

(4) receiving approval of the listing of Industries common stock on the New York Stock Exchange; and

(5) receiving the necessary consents from the holders of the outstanding Series C, D, E, H, I, J and K (Cumulative) Preferred Stock of Heco.

(C) Industries will guarantee the due and punctual payment of the principal and interest on Helco's outstanding 6 1/8% Convertible Subordinated Notes in case of the failure of Helco to make any such principal or interest payment. Industries will make dividend, redemption and liquidation payments on the Series L Cumulative Convertible Preferred Stock of Heco if Heco is unable to make such payments, provided that such obligation is subordinate to any obligation to make payments on Industries own preferred stock of any series.

(D) The Constituent Corporations hereby respectively agree that from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, they will execute and deliver, or cause to be executed and delivered all such deeds and other instruments and will take or cause to be taken such further or other actions as the Surviving Corporation may deem necessary or desirable in order to vest or perfect in, or confirm of record or otherwise to the Surviving Corporation, as the case may be, title to and possession of all their property, rights, privileges, powers, and franchises and otherwise to carry out the purposes of this Agreement.

(E) Upon the Effective Date, the assets and liabilities of the Constituent Corporations shall be carried on the books of the Surviving Corporation at the amounts at which they respectively shall be carried on such date on the books of the Constituent Corporations and the stockholders' equity of the Surviving Corporation shall be the sum of the respective stockholders' equity of the Constituent Corporations, subject in each case to such adjustments, eliminations or transfers as may be required to give effect to the merger. Except as from time to time restricted by

contract or by statute, the earned surplus and paid-in surplus, if any, appearing on the books of the Constituent Corporations shall be entered as earned or paid-in surplus, as the case may be, on the books of the Surviving Corporation and may thereafter be dealt with as such.

(F) Any approval, consent or opinion to be given by Industries, Heco or New Heco pursuant to this Agreement shall be by a resolution of its Board of Directors or a consent signed by all its stockholders.

ARTICLE VII

Approval of the Agreement

This Agreement shall be submitted for consideration to the Board of Directors of Industries, of Heco and of New Heco. If this Agreement is approved by a majority of the members of the Board of Directors of each of such corporations, then this Agreement shall be submitted for consideration to the stockholders of each of such corporations. In the event this Agreement is approved by the required vote of the holders of record of the outstanding shares entitled to vote of each of such corporations, the merger will become effective upon the filing in the office of the Director of Commerce and Consumer Affairs of the State of Hawaii of this Agreement duly approved and certified pursuant to Section 417-8, Hawaii Revised Statutes. Such filing shall take place on such date as shall be determined by the Boards of Directors of such corporations.

ARTICLE VIII

Amendment and Termination

The parties hereto by mutual consent of their respective Boards of Directors may amend, modify or supplement this Agreement in such manner as may be agreed upon by them in writing, at any time before or after approval of this Agreement by the stockholders of Heco; provided, however, that no such amendment, modification or supplement shall, in the sole judgment of the Board of Directors of Heco, materially and adversely affect the rights of the stockholders of Heco.

This Agreement may be terminated and the merger and other transactions herein provided for may be abandoned



at any time, whether before or after approval of this Agreement by the stockholders of Heco, by action of the Board of Directors of Heco if said Board of Directors determines for any reason that the consummation of the transactions provided for herein would for any reason be inadvisable or not in the best interests of Heco or its stockholders, or that any regulatory or other consents or approvals deemed necessary or advisable by the Board of Directors have not been obtained within a reasonable time after stockholder approval.

IN WITNESS WHEREOF, each of Heco, New Heco and Industries have executed this Agreement.

HAWAIIAN ELECTRIC COMPANY, INC.

By C. Denny Brady  
Its President

By Pete C. Lewis  
Its Secretary

NEW HECO, INC.

By C. Denny Brady  
Its President

By Pete C. Lewis  
Its Secretary

HAWAIIAN ELECTRIC INDUSTRIES, INC.

By C. Denny Brady  
Its President

By Pete C. Lewis  
Its Secretary

STATE OF HAWAII )  
 ) ss:  
CITY AND COUNTY OF HONOLULU )

On this 1st day of July, 1983, before me appeared C. Dudley Pratt, Jr. and Peter C. Lewis, to me personally known, who, being by me duly sworn did say, that they are President and Secretary, respectively, of HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said C. Dudley Pratt, Jr. and Peter C. Lewis acknowledged the instrument to be the free act and deed of said corporation.

Eileen K. Bull  
Notary Public, State of Hawaii  
My Commission expires 4-28-84

STATE OF HAWAII )  
 ) ss:  
CITY AND COUNTY OF HONOLULU )

On this 1st day of July, 1983, before me appeared C. Dudley Pratt, Jr. and Peter C. Lewis, to me personally known, who, being by me duly sworn did say, that they are President and Secretary, respectively, of NEW HECO, INC., a Hawaii corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said C. Dudley Pratt, Jr. and Peter C. Lewis acknowledged the instrument to be the free act and deed of said corporation.

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Notary Public, State of Hawaii  
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Eileen K. Bull  
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My Commission expires 4-28-84

**APPENDIX 1**

**ARTICLES OF ASSOCIATION  
of  
HAWAIIAN ELECTRIC COMPANY, INC.**

We, the undersigned, William W. Hall, William V. Lockwood, E. O. White, Jonathan Austin, and T. May, residing in Honolulu, Island of Oahu, Hawaiian Kingdom, desiring to become incorporated as a Joint Stock Company, do hereby associate ourselves together and sign these Articles of Association and declare as follows, to wit:

First: The name of the said corporation shall be

**"HAWAIIAN ELECTRIC COMPANY, INC."**

Second: The principal office of the corporation shall be located at Honolulu, Hawaii, and the corporation may have such other offices within or without the State of Hawaii as the nature of its business shall require.

Third: The purposes of the corporation shall be:

(a) To generate and produce electrical current and to purchase the same for resale; to transmit, distribute and sell electrical current for the purpose of supplying light, heat, power, electrical energy for neon lighting, X-ray and other electrical equipment and for the transmission of intelligence and for any other purposes whatsoever and in connection therewith to purchase or otherwise acquire, construct, own and operate plants for the generation of electrical current and to construct, maintain and operate pole or any other type or types of lines, cables and conduits for the transmission and distribution thereof, together with the necessary rights, privileges, easements and franchises therefor.

(b) To do contract wiring and electrical installation of all kinds.

(c) To purchase, erect, construct, maintain and operate oil storage tanks, oil pipe lines, water pipe lines and telegraphic and telephonic lines.

(d) To manufacture all manner of electrical goods, ice and materials and other products, and to erect, construct, maintain and operate cold storage warehouses, cold storage chambers and refrigerating apparatus, and to store goods.

(e) To buy, sell, lease, hold, own, build, maintain and operate machinery, warehouses, wharves and buildings incident to the general purposes and business of the corporation.

(f) To guarantee the bonds or other obligations of any person, firm or corporation.

(g) To purchase or otherwise acquire, become interested in, deal in and with, invest in, hold for investment, or otherwise use, sell, mortgage, pledge or otherwise dispose of or turn to account or realize upon all forms of securities including its own issued shares of capital stock and stocks in other corporations, bonds, debentures, notes, evidences of indebtedness, mortgages and other instruments, securities and rights of all kinds; to aid in any manner any corporation whose stock, bonds or other obligations are held or in any manner guaranteed by the corporation, and to do any acts and things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds, or other obligations, or to do any acts or things designed for any such purpose; and while owner of any such stock, bonds, or other obligations, to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting power thereof.

(h) To purchase or otherwise acquire, own, hold, exercise and enjoy all rights, privileges, easements, franchises, lands in fee simple or leasehold, choses in action, and all other property, personal or real, and to make and enter into contracts, leases, conveyances, and other engagements therefor.

(i) To import and export, buy, sell and deal in all kinds of goods, wares and merchandise and to carry on a general mercantile or merchandise business and to purchase, sell and deal in such goods, supplies and merchandise as may be sold in a general store and specifically but without limitation to the generality of the foregoing to buy, sell, import and export and deal and trade in all kinds of electrical goods, ice, manufacturers' supplies, engines, boilers, machinery, air-conditioning equipment, tools, machine shops and electrical supplies and appliances, neon signs and equipment, factories and factory machinery and supplies, hardware and mechanical equipment of all kinds, and to conduct a general manufacturing business.

(j) To purchase, acquire, take over or undertake the whole or any part of the business or of the assets or property of any person, co-partnership, joint stock company or corporation carrying on any business which the corporation is authorized to carry on or possessed of property suitable for the purposes of the corporation; and to acquire such business, assets or property either subject to or freed from any debts or liabilities.

(k) To apply for, obtain, register, purchase, lease or otherwise acquire, hold, use, own, operate and introduce and to sell, assign or otherwise dispose of any trade-marks, trade names, patents, inventions, improvements and processes used in connection with or secured under letters patent of the United States or otherwise and to use, exercise, develop, grant licenses in respect to or otherwise turn to account any such trade-marks, patents, licenses, processes and the like or any such property or rights.

(l) To borrow money and to incur indebtedness, without limitation as to amount, and in excess of the capital stock of the corporation, and to mortgage, bond, pledge or hypothecate any or all the property, both real and personal, of the corporation; to pledge its own bonds as security for the repayment of the principal and interest of any of its indebtedness.

(m) To lend money with or without security.

(n) To do and transact all other acts and things, agricultural, mechanical or otherwise, which may be necessary or convenient to the business of the corporation, or to any portion of said business.

(o) To make donations of property or money to benevolent or educational institutions or associations, community funds, municipalities or public charities or to public or private enterprises or purposes so far as it may deem necessary or helpful in connection with the accomplishment of the purposes herein stated or in the public or community interest.

(p) To issue, sell or dispose of the corporation's capital stock of any class, bonds, debentures, notes, certificates of indebtedness and other obligations and securities, convertible into any form of other security (or not so convertible), upon any terms.

(q) To have and to exercise the power and privilege of making and entering into contracts of whatsoever kind or nature for the carrying out of the above purposes or any of them and of doing all business incident thereto or in connection therewith.

The foregoing clauses shall each be construed as purposes and powers and the matters expressed in each clause or any part of any clause shall be in no wise limited by reference to or inference from any other clause or any other part of the same clause but shall be regarded as independent purposes and powers and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any manner the meaning of the general purposes and powers of the corporation nor shall the expression of one thing be deemed to exclude another, although it be of like nature not expressed.

**Fourth: The amount of the capital stock of the corporation shall be \$218,641,700, consisting of:**

**10,000,000 shares of Common Stock of the par value of \$6½ per share or a total authorized par value of Common Stock of \$66,667,000; and**

**3,848,735 shares of Cumulative Preferred Stock of the par value of \$20 per share or a total authorized par value of Cumulative Preferred Stock of the par value of \$20 per share of \$76,974,700; and**

**750,000 shares of Cumulative Preferred Stock of the par value of \$100 per share or a total authorized par value of Cumulative Preferred Stock of the par value of \$100 per share of \$75,000,000.**

The corporation shall also have the power from time to time to issue two or more classes of stock with the preferences, voting powers, restrictions and qualifications thereof fixed in the resolutions authorizing the issue thereof and to provide that the par value of the shares of one class may be the same as or different from the par value of the capital stock of any other class or classes. The corporation shall have similar powers with respect to two or more issues of stock within the same class.

The Board of Directors is authorized to provide for the issuance from time to time of authorized but unissued shares of stock of any class of the corporation and to approve and determine the consideration for which such shares shall be issued, and to divide the authorized and unissued shares of stock of any class into series and to issue any such series, and to fix the terms, preferences, voting powers, restrictions and qualifications of any class or any series of any class. The Board of Directors is authorized to provide for the issuance of any other securities of the corporation upon terms fixed by the Board of Directors, including but not limited to the determination of the consideration for the issuance thereof.

No holder of the shares of stock of any class shall have any preemptive or preferential right of subscription for or to purchase any shares of any class of stock or other securities of the corporation, whether now or hereafter authorized, other than such right or rights, if any, and upon such terms and at such price as the Board of Directors, in its discretion, from time to time may determine, and the Board of Directors may issue shares of stock of any class or other securities without offering the same in whole or in part to the stockholders of the corporation.

Fifth: There shall be a board of directors of the corporation to consist of not less than five nor more than eighteen members, who shall be elected or appointed at such times, in such manner, and for such terms as may be prescribed by the By-laws, which also may provide for the removal of directors and the filling of vacancies and may contain provisions that the remaining members of the board of directors, although less than a majority thereof, may, by the affirmative vote of the majority of such remaining members, fill vacancies in the board, including temporary vacancies caused by the illness, absence from the Island of Oahu, or other disability of directors. The directors need not be stockholders of the corporation. The board of directors shall have full power to control and direct the business and affairs of the corporation, subject, however, to instructions by the stockholders and to any limitations which may be set forth in statutory provisions and in these Articles of Association and in any resolutions authorizing the issuance of shares of preferred stock, and in the By-laws of the corporation. The board of directors of the corporation, without the approval of the stockholders of the corporation, or of any percentage thereof, may authorize the borrowing of money or the incurring of debts, even though as a result thereof the amount of the corporation's indebtedness may exceed its capital stock. The board of directors, without the approval of the stockholders of the corporation, or of any percentage thereof, may authorize the making of donations referred to in subparagraph (c) of Article Third.

Sixth: (a) The officers of the corporation shall be a president, one or more vice-presidents, a secretary and a treasurer and such other officers as may be provided for by the By-laws. All officers shall be elected or appointed as the By-laws shall direct.

(b) The stockholders of the corporation shall elect an auditor at the annual meeting of stockholders who shall not be an officer of the corporation and shall serve until his successor is elected. The auditor may be an individual, partnership or corporation.

Seventh: The corporation shall have power to sue and be sued, by said corporate name; to make and use a common seal, and to alter the same at pleasure; to hold, purchase, lease and convey, either absolutely or by way of mortgage, such real and personal property, including therein its own shares, or shares in other corporations and such franchises as the purposes of the corporation shall require and to mortgage the same to secure any debt of the corporation; to appoint such officers and agents as the business of the corporation shall from time to time require and to make such By-laws for the management of its property, the election and removal of its officers, the regulation of its affairs, and the transfer of its stock as the business of the corporation shall from time to time require.

Eighth: The board of directors in the name of the corporation shall have power at any time or from time to time to make or to delegate to any officer or officers the power to make contracts with any person, firm, corporation, association or organization employing, engaging or appointing such person, firm, corporation, association or organization as agent of the corporation or as manager of the business and affairs of the corporation, to perform duties and services and to exercise powers and authority in behalf of the corporation, including ministerial, executive, discretionary and/or managerial powers, subject, however, to the supervision of the board of directors. Any such contract shall run for such period of time and shall contain such terms and provisions with respect to the duties, services, powers and authority to be performed and exercised by such agent or manager and with respect to the compensation to be given to such agent or manager therefor, and otherwise, as the board of directors may determine.

Ninth: (a) No contract or other transaction between the corporation and any other corporation or any firm, association or other organization, and no act of the corporation, shall in any way be affected or invalidated by the fact that any of the directors or officers of the corporation are parties to such contract or transaction or act or are pecuniarily or otherwise interested in the same or are directors or officers or members of any such other corporation or any such firm, association or other corporation, provided that the interest of such director or officer shall be disclosed or shall have been known to the board of directors authorizing or approving the same, or to a majority thereof. Any director of the corporation who is pecuniarily or otherwise interested in or is a director or officer or member of such other corporation or any such firm, association or other organization, may be counted in determining a quorum of any meeting of the board of directors which shall authorize or approve any such contract, transaction or act, and may vote thereon with like force and effect as if he were in no way interested therein. Neither any director nor officer of the corporation, being so interested in any such contract, transaction, or act of the corporation which shall be approved by the board of directors of the corporation, nor any corporation, firm, association, or other organization in which such director, or officer may be interested, shall be liable or accountable to the corporation, or to any stockholder thereof, for any loss incurred by the corporation pursuant to or by reason of such contract, transaction, or act, or for any gain received by any such other party pursuant thereto or by reason thereof.

(b) Any director of the corporation may vote upon any contract or other transaction between the corporation and any subsidiary or affiliated corporation, including any corporation which owns all or substantially all of the shares of the capital stock of the corporation, without regard to the fact that he may also be a director or officer or stockholder of or otherwise interested in or connected with such subsidiary or affiliated corporation; and no contract or other transaction entered into by and between the corporation and any such subsidiary or affiliated corporation shall be affected or invalidated by the fact that any director or officer of the corporation may also be a director, officer, or stockholder of or otherwise interested in or connected with such subsidiary or affiliated corporation, or by the fact that said contract or transaction may be entered into by officers of the corporation or may be authorized or ratified by the vote of directors who may also be directors, officers or stockholders of or otherwise interested in or connected with such subsidiary or affiliated corporation.

**Tenth: Service of process against the corporation may be made upon the president, secretary, or treasurer of the corporation.**

**Eleventh: The corporation shall have succession and corporate existence in perpetuity and become a body corporate under the name and style of HAWAIIAN ELECTRIC COMPANY, INC., and shall have all the powers and rights and be subject to all of the liabilities provided by law for incorporated companies and shall have all the benefits of all general laws hereafter enacted in regard to corporations. All of the property of the corporation shall be liable for the just debts thereof, but no holder of or subscriber for shares of the capital stock of the corporation shall as such be individually liable beyond the amount, if any, which may be due upon the share or shares of capital stock held or subscribed for by him.**

**Twelfth: (a) The corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of this corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of this corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.**

**(b) The corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of this corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to this corporation unless and only to the extent that the court in which such action or suit was brought or in any other court having jurisdiction in the premises shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.**

**(c) To the extent that director, officer, employee or agent of the corporation or a person serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs (a) and (b) of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.**

**(d) Any indemnification under paragraphs (a) and (b) of this Article (unless ordered by a court) shall be made by the corporation only if authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting**



of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion to the corporation, or (3) by a majority vote of the stockholders.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in a particular case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Article.

(f) Any indemnification pursuant to this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or those indemnified may be entitled and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him, incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article.

(h) This Article shall be effective with respect to any person who is a director, officer, employee or agent of the corporation at any time on or after adoption with respect to any action, suit or proceeding pending on or after that date, by reason of the fact that he is or was, before or after that date, a director, officer, employee or agent of the corporation or is or was serving, before or after that date, at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

IN WITNESS WHEREOF we have hereunto subscribed our names this 13th day of October, A.D. 1891.

(Signed) William W. Hall,  
William V. Lockwood,  
E. O. White,  
T. May,  
Jona. Austin.

APPENDIX 2

NAMES, ADDRESSES, AND TERMS OF OFFICE  
OF DIRECTORS AND OFFICERS OF SURVIVING CORPORATION

The directors and officers of Heco will continue in office as officers of the Surviving Corporation.

The names and addresses of the directors of Heco are as follows:

<u>Name</u>	<u>Address</u>
Colin C. Cameron	P. O. Box 187 Kahului, Maui 96732
Harold C Eichelberger	1556 Mokulua Drive Kailua, Hawaii 96734-
William G. Foster	P. O. Box 419 Honolulu, Hawaii 96809
Richard Henderson	P. O. Box 747 Hilo, Hawaii 96720
Andrew T. F. Ing	P. O. Box 2750 Honolulu, Hawaii 96840
Ben F. Kaito	Penthouse 888 Mililani Honolulu, Hawaii 96813
Mildred D. Kosaki	2549 Malama Place Honolulu, Hawaii 96822
K. J. Luke	P. O. Box 3740 Honolulu, Hawaii 96812
Fujio Matsuda	2234 Kamehameha Avenue Honolulu, Hawaii 96822
John F. Nielsen	1445 Laamia Street Honolulu, Hawaii 96821
C. Dudley Pratt, Jr.	P. O. Box 2750 Honolulu, Hawaii 96840

Thurston Twigg-Smith P. O. Box 3110  
Honolulu, Hawaii 96802

Carl H. Williams 2969 Kalakaua Avenue  
Apartment 501  
Honolulu, Hawaii 96815

Ralph T. Yamaguchi 2550 Pacific Trade Center  
190 South King Street  
Honolulu, Hawaii 96813

Each of the foregoing directors will hold office until the next annual meeting of stockholders (which is normally held during the month of April), or until his successor shall be duly elected and qualified.

The names and offices of the officers of Heco are as follows:

<u>Name</u>	<u>Office</u>
C. Dudley Pratt, Jr.	President
Edward Y. Hirata	Vice President--Engineering
Andrew T. F. Ing	Financial Vice President
George T. Iwahiro	Vice President--Transmission and Distribution
Peter C. Lewis	Vice President--Administration and Secretary
William L. Shaw	Vice President--Power Supply
Harwood D. Williamson	Vice President--Planning
Phil Z. Chang	Treasurer
Paul A. Oyer	Controller
Betty Ann M. Splinter	Assistant Secretary

The address of each of the foregoing officers is P. O. Box 2750, Honolulu, Hawaii 96840.

Each of the foregoing officers will hold office for one year and thereafter until his successor shall be duly appointed and qualified, unless previously removed by the Board of Directors.

**APPENDIX 3**

**PREFERENCES, VOTING POWERS, RESTRICTIONS AND QUALIFICATIONS OF ALL CLASSES OF STOCK OF HECO**

**GENERAL**

Heco is authorized to issue 10,000,000 shares of Common Stock of the par value of \$6½ per share, 3,848,735 shares of Cumulative Preferred Stock of the par value of \$20 per share, and 750,000 shares of Cumulative Preferred Stock of the par value of \$100 per share. The outstanding Preferred Stock consists of eight series of \$20 per share par value and three series of \$100 per share par value.

**COMMON STOCK**

**Dividend Rights**

Dividends may be paid to the holders of Common Stock from the profits and surplus of Heco as and when declared by the Board of Directors whenever there is no arrearage in the payment of dividends on any series of Preferred Stock of Heco. Heco has obligated itself to make dividend, redemption and liquidation payments on the Preferred Stock of its wholly owned subsidiaries, Hawaii Electric Light Company, Inc. ("Helco") and Maui Electric Company, Limited ("Meco"), if the subsidiaries are unable to make such payments, provided that such obligation is subordinated to any obligation to make payments on Heco's own Preferred Stock.

Holders of Preferred Stock are entitled to cumulative preferential dividends out of the profits and surplus of Heco at the annual dividend rates indicated in the title of each series.

**Liquidation Rights**

In the event of any liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of Heco, voluntarily or involuntarily, the holders of the Preferred Stock of Heco of each series are entitled to be paid in full or ratably, in so far as the assets of Heco will permit, the par value of their respective shares, together with accrued and unpaid dividends to the date of distribution. Holders of Heco's Common Stock are entitled to any remaining assets of Heco.

**Voting Rights**

Holders of Common Stock are entitled to one vote per share except that voting may be cumulative in the election of directors if a request therefor is delivered by a shareholder to the President, a Vice President, the Secretary or the Treasurer of Heco not less than 48 hours prior to the time fixed for the meeting at which such election is to be held.

Except as specifically provided by statute or the resolution creating a series of Preferred Stock, the holders of Preferred Stock do not have any voting rights. The Series L Preferred Stock, which is convertible into Common Stock, votes generally with the Common Stock. In addition, if Heco shall be in default in the payment of four quarterly dividends upon any of the series of Preferred Stock, the holders thereof, until all of the accrued and unpaid dividends thereon shall have been paid, have the right as a class, together with the holders of all other series of Preferred Stock then outstanding who are entitled to vote for directors by reason of such a default with respect to their series, to elect a majority of the directors and the holders of the Common Stock have the right as a class to elect one less than a majority of the directors. The right of the holders of Preferred Stock to elect a majority of the Board of Directors under such circumstances will not affect or modify present or future By-Law provisions authorizing the members of the Board of Directors to fill vacancies.

Heco may not amend or repeal any provision of the resolution creating a series of Preferred Stock or take any other action affecting such series which would adversely affect the preferences, voting powers, restrictions and qualifications thereof without the consent of the holders of at least two-thirds of the stock of such series then outstanding.

**General**

The outstanding shares of Common Stock and Preferred Stock are fully paid and nonassessable. The holders of Common Stock have no conversion or preemptive rights and there are no redemption or sinking fund provisions applicable thereto.

**PREFERRED STOCK**

**Series C 4 1/4 % (Cumulative) Preferred Stock**

**Series C (Cumulative) Preferred Stock Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of preferred stock to bear the designation Series C, to have an aggregate par value of \$3,000,000, and hereby determines—

**Dividend Rate 4 1/4 %**

1. That the holders of the Series C 4 1/4% (Cumulative) Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 4 1/4% per annum upon the par value of said preferred stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series C 4 1/4% (Cumulative) Preferred Stock, hereinafter sometimes referred to as Series C Preferred Stock, shall be as follows:

**Par Value \$20**

(a) The par value of the Series C Preferred Stock shall be \$20 per share.

**Dividends Payable Quarterly**

(b) Dividends on the Series C Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series C Preferred Stock shall be preferential and shall be cumulative whether or not earned from the dividend payment date next preceding the date of issue (or from the date of issue if the date of issue shall be a dividend payment date). All dividends paid on the Series C Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly instalment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment dates the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any

future class of stock except Cumulative Preferred Stock of any series. The holders of the Series C Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares together with the accrued and unpaid dividends thereon to the date of distribution before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-convertible**

(d) No Series C Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company at its option on any preferred dividend payment date may redeem the whole or a part of the Series C Preferred Stock then outstanding without redeeming the whole of the issue and without redeeming the whole or a part of any other issues of preferred stock then outstanding, upon paying in cash to the holders of the Series C Preferred Stock redeemed an amount equal to the par value of the preferred stock redeemed plus a premium of One Dollar (\$1.00) per share, together with all accrued and unpaid dividends thereon. In all cases of redemption under this subparagraph (e) —

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series C Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series C Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series C Preferred Stock at the time outstanding the shares of such series to be redeemed shall be selected by the Company by lot or in other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series C Preferred Stock represented by any certificate are redeemed at any one time, the holders shall be entitled to receive a new preferred stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series C Preferred Stock.

**No Reissuance of Redeemed Preferred Stock**

(vi) No Series C Preferred Stock redeemed as above provided shall be subject to reissue by the Company.

**Voting Rights**

(f) The holders of Series C Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing the holders of Series C Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of preferred stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on Series C Preferred Stock then the holders of the Series C Preferred Stock until all accrued dividends on the preferred stock shall have been paid shall have the right as a class, together with the holders of all other issues of preferred stock then outstanding if the holders of such other issues of preferred stock are under the terms of the resolution creating the respective issue of preferred stock then entitled to vote for directors, to elect a majority of the Board of Directors and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and provided, further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series C Preferred Stock shall be entitled to voting rights, each share of Series C Preferred Stock having such rights shall be entitled to one vote. The provisions of this paragraph (f) are subject to any provisions of law requiring the vote of holders of preferred stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series C Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly instalments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that so long as any shares of the Series C Preferred Stock are outstanding, the Company shall not, without the consent of the holders of at least a majority of the outstanding shares of Preferred Stock, issue any shares of Preferred Stock except for the purpose of refunding a like par value of Preferred Stock then outstanding unless:

(a) The net earnings of the Company available for interest and dividends for a period of 12 consecutive calendar months out of 15 calendar months immediately preceding such issue shall amount to 1 1/2 times the sum of (i) the annual interest requirements on all indebtedness of the Company to be outstanding immediately after such issue, and (ii) the annual dividend requirements of all shares of Preferred Stock and any prior or parity stock to be outstanding immediately after said issue. (For the purposes of this resolution, net earnings of the Company means net income determined in accordance with the pertinent system of accounts prescribed by any public body having jurisdiction over the accounts of the Company, or to the extent of the absence thereof, in accordance with sound accounting principles. Net earnings of the Company available for interest and dividends means net earnings, as above defined, plus interest paid or accrued during the period and actually deducted in arriving at such net earnings.)

and

(b) The par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of the following at the time of issuance of such additional Preferred Stock:

- (i) the total par or stated value of all the issued and outstanding Common Stock of the Company, plus
- (ii) any increase in the capital surplus and/or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) effected after December 31, 1959, plus
- (iii) any increase in the earned surplus of the Company effected after December 31, 1959, such earned surplus to be calculated on a non-consolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Merger or Consolidation of Company**

4. As long as any shares of the Series C Preferred Stock are outstanding the Company shall not effect the merger or consolidation of the Company, or sell, lease or exchange all or substantially all of the property and assets of the Company without first obtaining the consent in writing of the holders of at least 75% of the outstanding Series C Preferred Stock, provided that said consent shall not be required to make a mortgage, pledge, assignment or transfer of all or any part of its assets as security for any obligation or liability of any kind or nature, and provided, further, that said consent shall not be required to effect any merger in which the Company is the surviving corporation and which is approved by the Public Utilities Commission of the State of Hawaii.

**Resolution May be Amended with Consent of Holders of 66 2/3 % Series C Preferred Stock**

5. The Company may amend or repeal any provision of this resolution authorizing and creating the Series C Preferred Stock or add any provision to such resolution or take any other action affecting the Series C Preferred Stock, provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series C Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series C Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series C Preferred Stock then outstanding.



**SERIF 5% (CUMULATIVE) PREFERRED ST**

**Series D (Cumulative) Preferred Stock Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series D, to have an aggregate par value of \$1,000,000, and hereby determines—

**Dividend Rate 5%**

1. That the holders of the Series D 5% (Cumulative) Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 5% per annum upon the par value of said Preferred Stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series D 5% (Cumulative) Preferred Stock, hereinafter sometimes referred to as Series D Preferred Stock, shall be as follows:

**Par Value \$20**

(a) The par value of the Series D Preferred Stock shall be \$20 per share.

**Dividends Payable Quarterly**

(b) Dividends on the Series D Preferred Stock shall be payable in equal quarterly instalments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series D Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue, if the date of issue shall be a dividend payment date, or if the date of issue shall not be a dividend payment date then from such date as shall be determined by the Board of Directors of the Company. All dividends paid on the Series D Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly instalment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment dates the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series D Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far

as the assets of the Company will permit, the par value of their shares together with the accrued and unpaid dividends thereon to the date of distribution before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-convertible**

(d) No Series D Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company by action of its Board of Directors at its option on any preferred dividend payment date may redeem the whole or a part of the Series D Preferred Stock then outstanding without redeeming the whole of the issue and without redeeming the whole or a part of any other issues of Preferred Stock then outstanding, upon paying in cash to the holders of the Series D Preferred Stock redeemed an amount equal to the par value of the Preferred Stock redeemed plus a premium of One Dollar (\$1.00) per share, together with all accrued and unpaid dividends thereon. In all cases of redemption under this subparagraph (e) —

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series D Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series D Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series D Preferred Stock at the time outstanding the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series D Preferred Stock represented by any certificate are redeemed at any one time, the holders shall be entitled to receive a new Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series D Preferred Stock.

**No Reissuance of Redeemed Preferred Stock**

(vi) No Series D Preferred Stock redeemed as above provided shall be subject to reissue by the Company.

**Voting Rights**

(f) The holders of Series D Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing the holders of Series D Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on Series D Preferred Stock then the holders of the Series D Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolution creating the respective issue of Preferred Stock then entitled to vote for directors, to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and provided, further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series D Preferred Stock shall be entitled to voting rights, each share of Series D Preferred Stock having such rights shall be entitled to one vote. The provisions of this paragraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series D Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly instalments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that so long as any shares of the Series D Preferred Stock are outstanding, the Company shall not, without the consent of the holders of at least a majority of the outstanding shares of Preferred Stock, issue any shares of Preferred Stock except for the purpose of refunding a like par value of Preferred Stock then outstanding unless:

(a) The net earnings of the Company available for interest and dividends for a period of 12 consecutive calendar months out of 15 calendar months immediately preceding such issue shall amount to 1½ times the sum of (i) the annual interest requirements on all indebtedness of the

Company to be outstanding immediately after such issue, and (ii) the annual dividend requirements of all shares of Preferred Stock and any prior or parity stock to be outstanding immediately after said issue. (For the purposes of this resolution, net earnings of the Company means net income determined in accordance with the pertinent system of accounts prescribed by any public body having jurisdiction over the accounts of the Company, or, to the extent of the absence thereof, in accordance with sound accounting principles. Net earnings of the Company available for interest and dividends means net earnings, as above defined, plus interest paid or accrued during the period and actually deducted in arriving at such net earnings.)

and

(b) The par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of the following at the time of issuance of such additional Preferred Stock:

- (i) the total par or stated value of all the issued and outstanding Common Stock of the Company, plus
- (ii) any increase in the capital surplus and/or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) effected after December 31, 1959, plus
- (iii) any increase in the earned surplus of the Company effected after December 31, 1959, such earned surplus to be calculated on a non-consolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Merger or Consolidation of Company**

4. As long as any shares of the Series D Preferred Stock are outstanding the Company shall not effect the merger or consolidation of the Company, or sell, lease or exchange all or substantially all of the property and assets of the Company without first obtaining the consent in writing of the holders of at least 75% of the outstanding Series D Preferred Stock, provided that said consent shall not be required to make a mortgage, pledge, assignment or transfer of all or any part of its assets as security for any obligation or liability of any kind or nature, and provided, further, that said consent shall not be required to effect any merger in which the Company is the surviving corporation and which is approved by the Public Utilities Commission of the State of Hawaii.

**Resolution May be Amended with Consent of 86% % Series D Preferred Stock**

5. The Company may amend or repeal any provision of this resolution authorizing and creating the Series D Preferred Stock or add any provision to such resolution or take any other action affecting the Series D Preferred Stock, provided, however, that, if such amendment, repeal, addition or action would alter or change with respect to the Series D Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series D Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series D Preferred Stock then outstanding.

**Series E 5% (Cumulative) Preferred Stock**

**Series E (Cumulative) Preferred Stock Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series E, to have an aggregate par value of \$3,000,000, and hereby determines—

**Dividend Rate 5%**

1. That the holders of the Series E 5% (Cumulative) Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 5% per annum upon the par value of said Preferred Stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series E 5% (Cumulative) Preferred Stock, hereinafter sometimes referred to as Series E Preferred Stock, shall be as follows:

**Par Value \$20**

(a) The par value of the Series E Preferred Stock shall be \$20 per share.

**Dividends Payable Quarterly**

(b) Dividends on the Series E Preferred Stock shall be payable in equal quarterly instalments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series E Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue, if the date of issue shall be a dividend payment date, or if the date of issue shall not be a dividend payment date then from such date as shall be determined by the Board of Directors of the Company. All dividends paid on the Series E Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly instalment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment dates the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series E Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares together with the accrued and unpaid dividends thereon to the date of distribution before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-convertible**

(d) No Series E Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption; Notice of Redemption**

(e) The Company by action of its Board of Directors at its option on any preferred dividend payment date may redeem the whole or a part of the Series E Preferred Stock then outstanding without redeeming the whole of the issue and without redeeming the whole or a part of any other issues of Preferred Stock then outstanding, upon paying in cash to the holders of the Series E Preferred Stock redeemed an amount equal to the par value of the Preferred Stock redeemed plus a premium of One Dollar (\$1.00) per share, together with all accrued and unpaid dividends thereon. In all cases of redemption under this subparagraph (e)—(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series E Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series E Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series E Preferred Stock at the time outstanding the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series E Preferred Stock represented by any certificate are redeemed at any one time, the holders shall be entitled to receive a new Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series E Preferred Stock.

**No Reissuance of Redeemed Preferred Stock**

(vi) No Series E Preferred Stock redeemed as above provided shall be subject to reissue by the Company.

**Voting Rights**

(f) The holders of Series E Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing the holders of Series E Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment

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of four quarterly dividends on Series E Preferred Stock then the holders of the Series E Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolution creating the respective issue of Preferred Stock then entitled to vote for directors, to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and, provided, further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series E Preferred Stock shall be entitled to voting rights, each share of Series E Preferred Stock having such rights shall be entitled to one vote. The provisions of this paragraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series E Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly instalments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that so long as any shares of the Series E Preferred Stock are outstanding, the Company shall not, without the consent of the holders of at least a majority of the outstanding shares of Preferred Stock, issue any shares of Preferred Stock except for the purpose of refunding a like par value of Preferred Stock then outstanding unless:

(a) The net earnings of the Company available for interest and dividends for a period of 12 consecutive calendar months out of 15 calendar months immediately preceding such issue shall amount to 1½ times the sum of (i) the annual interest requirements on all indebtedness of the Company to be outstanding immediately after such issue, and (ii) the annual dividend requirements of all shares of Preferred Stock and any prior or parity stock to be outstanding immediately after said issue. (For the purposes of this resolution, net earnings of the Company means net income determined in accordance with the pertinent system of accounts prescribed by any public body having jurisdiction over the accounts of the Company, or, to the extent of the

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absence thereof, in accordance with sound accounting principles. Net earnings of the Company available for interest and dividends means net earnings, as above defined, plus interest paid or accrued during the period and actually deducted in arriving at such net earnings.)

and

(b) The par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of the following at the time of issuance of such additional Preferred Stock:

(i) the total par or stated value of all the issued and outstanding Common Stock of the Company, plus

(ii) any increase in the capital surplus and/or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) effected after December 31, 1959, plus

(iii) any increase in the earned surplus of the Company effected after December 31, 1959, such earned surplus to be calculated on a non-consolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Merger or Consolidation of Company**

4. As long as any shares of the Series E Preferred Stock are outstanding the Company shall not effect the merger or consolidation of the Company, or sell, lease or exchange all or substantially all of the property and assets of the Company without first obtaining the consent in writing of the holders of at least 75% of the outstanding Series E Preferred Stock, provided that said consent shall not be required to make a mortgage, pledge, assignment or transfer of all or any part of its assets as security for any obligation or liability of any kind or nature, and provided, further, that said consent shall not be required to effect any merger in which the Company is the surviving corporation and which is approved by the Public Utilities Commission of the State of Hawaii.

**Resolution May be Amended with Consent of Holders of 66 2/3 % Series E Preferred Stock**

5. The Company may amend or repeal any provision of this resolution authorizing and creating the Series E Preferred Stock or add any provision to such resolution or take any other action affecting the Series E Preferred Stock, provided, however, that, if such amendment, repeal, addition or action would alter or change with respect to the Series E Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series E Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series E Preferred Stock then outstanding.

**Series H 5 1/4 % (Cumulative) Preferred Stock**

**Series H Preferred Stock (Cumulative) Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series H, to have an aggregate par value of \$5,000,000, and hereby determines—

**Dividend Rate 5 1/4 %**

1. That the holders of the Series H 5 1/4% (Cumulative) Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 5 1/4% per annum upon the par value of said Preferred Stock.



**Preferences, Voting Pow etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series H 5¼% (Cumulative) Preferred Stock, hereinafter sometimes referred to as the Series H Preferred Stock, shall be as follows:

**Par Value \$20**

(a) The par value of the Series H Preferred Stock shall be \$20 per share.

**Dividend Payable Quarterly**

(b) Dividends on the Series H Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series H Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue. If the date of issue shall not be a dividend payment date then the initial dividend payment date on the Series H Preferred Stock shall be October 15, 1960, and the dividend then payable shall be the dividend accrued from the date of issue. All dividends paid on the Series H Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly installment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment date the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series H Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares, together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the Common Stock or any future class of Stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-Convertible**

(d) No Series H Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company by action of its Board of Directors, at its option, may redeem on any preferred dividend payment date the whole or a part of the Series H Preferred Stock then outstanding without redeeming the whole of the issue and without redeeming the whole or a part of any other issues of Preferred Stock then outstanding, upon paying in cash to the holders of the Series H Preferred Stock redeemed the redemption price thereof as hereinafter specified, provided that the Company shall not have the right to redeem any Series H Preferred Stock prior to October 15, 1965 as part of a refunding or anticipated refunding operation by application, directly or indirectly, of moneys borrowed or the proceeds of sale of any shares of stock ranking prior to or on a parity in respect of dividends or distribution of assets with the Series H Preferred Stock, if the interest cost to the Company of such moneys borrowed or the dividend cost to the Company of such shares sold is less than 5¼% per annum. The term "interest cost to the Company" means the yield to stated maturity of the debt at the net price received by the Company therefor, determined by reference to a standard table of bond yields using straight-line interpolation if necessary, and the term "dividend cost to the Company" means the percentage yield obtained by dividing the annual dividend rate per share by the net price received by the Company per share (in either case, "net price received by the Company" is to be determined after allowing for all discounts, commissions, finder's fees, and negotiator's fees received or receivable directly from the Company by underwriters, investment bankers, or other financing agents or purchasers). The redemption price for shares of Series H Preferred Stock which shall be redeemed shall be the par value of such Series H Preferred Stock redeemed together with all accrued and unpaid dividends thereon and the following premiums, \$1.50 per share if the date designated for redemption is on or before October 15, 1965, and \$1.00 per share if the date designated for redemption is after October 15, 1965. In all cases of redemption under this subparagraph (e)—

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series H Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California and in the City of New York, State of New York, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series H Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series H Preferred Stock at the time outstanding, the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series H Preferred Stock represented by any certificate are redeemed at any one time, the holders shall be entitled to receive a new Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series H Preferred Stock.

**No Reissuance of Redeemed Preferred Stock**

(vi) No Series H Preferred Stock redeemed as above provided shall be subject to reissue by the Company.

**Voting Rights**

(f) Holders of Series H Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing the holders of Series H Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on the Series H Preferred Stock then the holders of the Series H Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolutions creating the respective issues of Preferred Stock then entitled to vote for directors, to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and, provided further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series H Preferred Stock shall be entitled to voting rights, each share of Series H Preferred Stock having such rights shall be entitled to one vote. The provisions of this subparagraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series H Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that the par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding Common Stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) at the time of issuance of such additional Preferred Stock plus (ii) the earned surplus of the Company, on a nonconsolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Merger or Consolidation of Company**

4. As long as any shares of the Series H Preferred Stock are outstanding the Company shall not effect the merger or consolidation of the Company, or sell, lease or exchange all or substantially all of the property and assets of the Company without first obtaining the consent in writing of the holders of at least 75% of the outstanding Series H Preferred Stock, provided that said consent shall not be required to make a mortgage, pledge, assignment or transfer of all or any part of its assets as security for any obligation or liability of any kind or nature, and provided, further, that said consent shall not be required to effect any merger in which the Company is the surviving corporation and which is approved by the Public Utilities Commission of the State of Hawaii.

**Resolution May be Amended With Consent of Holders of 66 2/3 % Series H Preferred Stock**

5. The company may amend or repeal any provision of this resolution authorizing and creating the Series H Preferred Stock or add any provision to such resolution or take any other action affecting the Series H Preferred Stock, provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series H Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series H Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series H Preferred Stock then outstanding.

**Series I 5% (Cumulative) Preferred Stock**

**Series I Preferred Stock (Cumulative) Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series I, to have an aggregate par value of \$2,000,000, and hereby determines—

**Dividend Rate 5%**

1. That the holders of the Series I 5% (Cumulative) Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 5% per annum upon the par value of said Preferred Stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series I 5% (Cumulative) Preferred Stock, hereinafter sometimes referred to as the Series I Preferred Stock, shall be as follows:

**Par Value \$20**

(a) The par value of the Series I Preferred Stock shall be \$20 per share.

**Dividend Payable Quarterly,**

(b) Dividends on the Series I Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series I Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue, if the date of issue shall be a dividend payment date, or if the date of issue shall not be a dividend payment date then from such date as shall be determined by the Board of Directors of the Company. All dividends paid on the Series I Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly installment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment date the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series I Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares, together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-Convertible**

(d) No Series I Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company by action of its Board of Directors, at its option, may redeem at any time on 30 days' notice the whole or a part of the Series I Preferred Stock then outstanding without redeeming the whole of the issue and without redeeming the whole or a part of any other issues of Preferred Stock then outstanding, upon paying in cash to the holders of the Series I Preferred Stock redeemed the redemption price thereof as hereinafter specified. The redemption price for shares of Series I Preferred Stock which shall be redeemed shall be the par value of such Series I Preferred Stock redeemed together with all accrued and unpaid dividends thereon. In all cases of redemption under this subparagraph (e) —

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series I Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series I Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series I Preferred Stock at the time outstanding, the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series I Preferred Stock represented by any certificate are redeemed at any one time, the holders shall be entitled to receive a new Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series I Preferred Stock.

**No Reissuance of Redeemed Preferred Stock**

(vi) No Series I Preferred Stock redeemed as above provided shall be subject to re-issue by the Company.

**Voting Rights**

(f) Holders of Series I Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing the holders of Series I Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on the Series I Preferred Stock then the holders of the Series I Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolutions creating the respective issues of Preferred Stock then entitled to vote for directors to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and, provided further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-Laws or any modification of such provision or any future provision of the By-Laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu.

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Whenever Series I Preferred Stock shall be entitled to voting rights, each share of Series I Preferred Stock having such rights shall be entitled to one vote. The provisions of this subparagraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series I Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that the par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding Common Stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) at the time of issuance of such additional Preferred Stock plus (ii) the earned surplus of the Company, on a nonconsolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Merger or Consolidation of Company**

4. As long as any shares of the Series I Preferred Stock are outstanding the Company shall not effect the merger or consolidation of the Company, or sell, lease or exchange all or substantially all of the property and assets of the Company without first obtaining the consent in writing of the holders of at least 75% of the outstanding Series I Preferred Stock, provided that said consent shall not be required to make a mortgage, pledge, assignment or transfer of all or any part of its assets as security for any obligation or liability of any kind or nature, and provided, further, that said consent shall not be required to effect any merger in which the Company is the surviving corporation and which is approved by the Public Utilities Commission of the State of Hawaii.

**Resolution May be Amended with Consent of Holders of 66 2/3 % Series I Preferred Stock**

5. The Company may amend or repeal any provision of this resolution authorizing and creating the Series I Preferred Stock or add any provision to such resolution or take any other action affecting the Series I Preferred Stock, provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series I Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series I Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of a least two-thirds of the shares of Series I Preferred Stock then outstanding.

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**Series J 4% % (Cumulative) Preferred Stock**

**Series J (Cumulative) Preferred Stock Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series J, to have an aggregate par value of \$5,000,000, and hereby determines—

**Dividend Rate 4% %**

1. That the holders of the Series J 4% % (Cumulative) Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 4% % per annum upon the par value of said Preferred Stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series J 4% % (Cumulative) Preferred Stock, hereinafter sometimes referred to as the Series J Preferred Stock, shall be as follows:

**Par Value \$20**

(a) The par value of the Series J Preferred Stock shall be \$20 per share.

**Dividend Payable Quarterly**

(b) Dividends on the Series J Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series J Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue. If the date of issue shall not be a dividend payment date then the initial dividend payment date on the Series J Preferred Stock shall be July 15, 1962, and the dividend then payable shall be the dividend accrued from the date of issue. All dividends paid on the Series J Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly installment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment date the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series J Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far

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as the assets of the Company will permit, the par value of their shares together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the Common Stock or any future class of Stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-Convertible**

(d) No Series J Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company by action of its Board of Directors, at its option, may redeem on any preferred dividend payment date the whole or a part of the Series J Preferred Stock then outstanding without redeeming the whole of the issue and without redeeming the whole or a part of any other issues of Preferred Stock then outstanding, upon paying in cash to the holders of the Series J Preferred Stock redeemed the redemption price thereof as hereinafter specified, provided that the Company shall not have the right to redeem any Series J Preferred Stock prior to July 15, 1967 as part of a refunding or anticipated refunding operation by application, directly or indirectly, of moneys borrowed or the proceeds of sale of any shares of stock ranking prior to or on a parity in respect of dividends or distribution of assets with the Series J Preferred Stock, if the interest cost to the Company of such moneys borrowed or the dividend cost to the Company of such shares sold is less than 4% per annum. The term "interest cost to the Company" means the yield to stated maturity of the debt at the net price received by the Company therefor, determined by reference to a standard table of bond yields using straight-line interpolation if necessary, and the term "dividend cost to the Company" means the percentage yield obtained by dividing the annual dividend rate per share by the net price received by the Company per share (in either case, "net price received by the Company" is to be determined after allowing for all discounts, commissions, finder's fees, and negotiator's fees received or receivable directly from the Company by underwriters, investment bankers, or other financing agents or purchasers). The redemption price for shares of Series J Preferred Stock which shall be redeemed shall be the par value of such Series J Preferred Stock redeemed together with all accrued and unpaid dividends thereon and the following premiums, \$1.50 per share if the date designated for redemption is on or before July 15, 1967, and \$1.00 per share if the date designated for redemption is after July 15, 1967. In all cases of redemption under this subparagraph (e) —

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series J Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California and in the City of New York, State of New York, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series J Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series J Preferred Stock at the time outstanding, the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series J Preferred Stock represented by any certificate are redeemed at any one time, the holders shall be entitled to receive a new Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series J Preferred Stock.

**No Reissuance of Redeemed Preferred stock**

(vi) No Series J Preferred Stock redeemed as above provided shall be subject to reissue by the Company.

**Voting Rights**

(f) Holders of Series J Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing the holders of Series J Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on the Series J Preferred Stock then the holders of the Series J Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolutions creating the respective issues of Preferred Stock then entitled to vote for directors, to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and, provided further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series J Preferred Stock shall be entitled to voting rights, each share of Series J Preferred Stock having such rights shall be entitled to one vote. The provisions of this subparagraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series J Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that the par value of any additional issue of Preferred Stock together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding Common Stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) at the time of issuance of such additional Preferred Stock plus (ii) the earned surplus of the Company, on a nonconsolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Merger or Consolidation of Company**

4. As long as any shares of the Series J Preferred Stock are outstanding the Company shall not effect the merger or consolidation of the Company, or sell, lease or exchange all or substantially all of the property and assets of the Company without first obtaining the consent in writing of the holders of at least 75% of the outstanding Series J Preferred Stock, provided that said consent shall not be required to make a mortgage, pledge, assignment or transfer of all or any part of its assets as security for any obligation or liability of any kind or nature, and provided, further, that said consent shall not be required to effect any merger in which the Company is the surviving corporation and which is approved by the Public Utilities Commission of the State of Hawaii.

**Resolution May be Amended With Consent of Holders of 66 2/3 % Series J Preferred Stock**

5. The Company may amend or repeal any provision of this resolution authorizing and creating the Series J Preferred Stock or add any provision to such resolution or take any other action affecting the Series J Preferred Stock, provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series J Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series J Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series J Preferred Stock then outstanding.

**Series K 4.65% (Cumulative) Preferred Stock**

**Series K (Cumulative) Preferred Stock Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series K, to have an aggregate par value of \$3,500,000, and hereby determines—

**Dividend Rate 4.65%**

1. That the holders of the Series K 4.65% (Cumulative) Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 4.65% per annum upon the par value of said Preferred Stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series K 4.65% (Cumulative) Preferred Stock, hereinafter sometimes referred to as the Series K Preferred Stock, shall be as follows:

**Par Value \$20**

(a) The par value of the Series K Preferred Stock shall be \$20 per share.

**Dividend Payable Quarterly**

(b) Dividends on the Series K Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series K Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue. If the date of issue shall not be a dividend payment date then the initial dividend payment date on the Series K Preferred Stock shall be April 15, 1964, and the dividend then payable shall be the dividend accrued from the date of issue. All dividends paid on the Series K Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly installment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment date the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series K Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares, together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-Convertible**

(d) No Series K Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company by action of its Board of Directors, at its option, may redeem on any preferred dividend payment date the whole or a part of the Series K Preferred Stock then outstanding without redeeming the whole of the issue and without redeeming the whole or a part of any other issues of Preferred Stock then outstanding, upon paying in cash to the holders of the Series K Preferred Stock redeemed the redemption price thereof as hereinafter specified, provided that the Company shall not have the right to redeem any Series K Preferred Stock prior to April 15, 1969 as part of a refunding or anticipated refunding operation by application, directly or indirectly, of moneys borrowed or the proceeds of sale of any shares of stock ranking prior to or on a parity in respect of dividends or distribution of assets with the Series K Preferred Stock, if the interest cost to the Company of such moneys borrowed or the dividend cost to the Company of such shares sold is less than 4.65% per annum. The term "interest cost to the Company" means the yield to stated maturity of the debt at the net price received by the Company therefor, determined by reference to a standard table of bond yields using straight-line interpolation if necessary, and the term "dividend cost to the Company" means the percentage yield obtained by dividing the annual dividend rate per share by the net price received by the Company per share (in either case, "net price received by the Company" is to be determined after allowing for all discounts, commissions, finder's fees, and negotiator's fees received or receivable directly from the Company by underwriters, investment bankers, or other financing agents or purchasers). The redemption price for shares of Series K Preferred Stock which shall be redeemed shall be the par value of such Series K Preferred Stock redeemed together with all accrued and unpaid dividends thereon and the following premiums: \$1.50 per share if the date designated for redemption is on or before April 15, 1969, and \$1.00 per share if the date designated for redemption is after April 15, 1969. In all cases of redemption under this subparagraph (e) —

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series K Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California and in the City of New York, State of New York, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series K Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series K Preferred Stock at the time outstanding, the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series K Preferred Stock represented by any certificate are redeemed at any one time, the holders shall be entitled to receive a new Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series K Preferred Stock.

**No Reissuance of Redeemed Preferred Stock**

(vi) No Series K Preferred Stock redeemed as above provided shall be subject to reissue by the company.

**Voting Rights**

(f) Holders of Series K Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing the holders of Series K Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on the Series K Preferred Stock then the holders of the Series K Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolutions creating the respective issues of Preferred Stock then entitled to vote for directors, to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and, provided further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series K Preferred Stock shall be entitled to voting rights, each share of Series K Preferred Stock having such rights shall be entitled to one vote. The provisions of this subparagraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series K Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends.

ratably, in proportion to annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that the par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding Common Stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) at the time of issuance of such additional Preferred Stock plus (ii) the earned surplus of the Company, on a nonconsolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Merger or Consolidation of Company**

4. As long as any shares of the Series K Preferred Stock are outstanding the Company shall not effect the merger or consolidation of the Company, or sell, lease or exchange all or substantially all of the property and assets of the Company without first obtaining the consent in writing of the holders of at least 75% of the outstanding Series K Preferred Stock, provided that said consent shall not be required to make a mortgage, pledge, assignment or transfer of all or any part of its assets as security for any obligation or liability of any kind or nature, and provided, further, that said consent shall not be required to effect any merger in which the Company is the surviving corporation and which is approved by the Public Utilities Commission of the State of Hawaii.

**Resolution May be Amended With Consent of Holders of 66 2/3 % Series K Preferred Stock**

5. The Company may amend or repeal any provision of this resolution authorizing and creating the Series K Preferred Stock or add any provision to such resolution or take any other action affecting the Series K Preferred Stock, provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series K Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series K Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series K Preferred Stock then outstanding.

**Series L \$1.44 Voting Cumulative Convertible Preferred Stock**

1. The total authorized amount of the Convertible Preferred Stock shall be 255,960 shares with a par value of \$20.00 per share.

2. Dividends on the Convertible Preferred Stock shall be payable at the rate of \$1.44 per share per annum, from any funds of the Company legally available therefor, in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year, but only as and when declared by the Board of Directors. The dividends on the Convertible Preferred Stock shall be preferential and cumulative, whether or not in any period the amount thereof shall be covered by earnings or profits of the Company. Dividends on the Convertible Preferred Stock shall accrue and be cumulative from the effective date of said merger. The dividends on the Convertible Preferred Stock shall be paid in chronological order, with reference to the quarter-yearly dividend payment periods above mentioned. In the event the Company fails to pay the full dividends accrued on all shares of cumulative preferred stock of all series on any dividend payment date the amounts which are paid by the Company shall be paid ratably among the holders of each series of cumulative preferred stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or

preference between dates of issue thereof. Preferential dividends at the rate set forth above shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of common stock of the Company) on the common stock or any future class of stock except cumulative preferred stock of any series and before any purchase or other acquisition of any common stock or any future class of stock except cumulative preferred stock of any series. Except for the foregoing limitation, the provisions of the Convertible Preferred Stock shall not operate to restrict the payment from time to time to the holders of the common stock, from any funds of the corporation legally available therefor, of dividends, in cash or in property or in stock or otherwise, in such amounts and as and when declared by the Board of Directors, and the holders of the Convertible Preferred Stock shall not be entitled to participate in any such dividends paid to the holders of the common stock. Accumulations of dividends on the Convertible Preferred Stock shall not bear interest. The holders of the Convertible Preferred Stock shall be entitled to no other dividends than as above stated. No dividends shall be declared on any series of cumulative preferred stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of cumulative preferred stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

3. In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the cumulative preferred stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares, together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the common stock or any future class of stock except cumulative preferred stock of any series and shall be entitled to no other distribution.

4. The shares of the Convertible Preferred Stock shall be subject to redemption as hereinafter provided:

(a) The Convertible Preferred Stock will not be subject to redemption prior to December 31, 1973. All or any part of the Convertible Preferred Stock outstanding at any time after December 31, 1973 may be redeemed, at the option of the Company on any dividend payment date. On any such redemption the redemption price will be \$38.50 per share, together with any accumulated and unpaid dividends.

(b) The following provisions shall be applicable to any redemption of shares of the Convertible Preferred Stock:

(i) Notice of redemption shall be given to the holders of the shares of Convertible Preferred Stock to be redeemed by mailing notice thereof to each of such holders to his, her or its address as it appears on the books of the Company, not less than thirty (30) days prior to the date of redemption. The payment of the redemption price of the shares redeemed shall be made at the principal office of the Company, in Honolulu, Hawaii, or at such other place or places of redemption as shall be determined by the Board of Directors and shall be specified in the notice of redemption, and shall be made against the surrender for cancellation of the certificates for the shares redeemed.

(ii) From and after the date fixed in such notice as the date of redemption of any shares of the Convertible Preferred Stock, unless the Company shall fail in the payment or in making provision for the payment of the redemption price, dividends on the Convertible Preferred Stock called for redemption shall cease to accrue and all rights with respect thereto of the holders thereof, including the right to receive notices and to vote, shall cease and determine, except the right to receive the redemption price thereof and except the right of conversion which shall continue until the close of business on the date of redemption.



(iii) When less than all of the shares of the Convertible Preferred Stock outstanding are redeemed at any one time, the shares to be so redeemed shall be selected by the Company by lot or on a pro rata basis as shall be determined by the Board of Directors. If less than all of the shares of the Convertible Preferred Stock represented by any certificate are redeemed at any one time, the holder shall be entitled to receive a new Convertible Preferred Stock certificate representing the share or shares not so redeemed.

(iv) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed in and the details concerning the redemption of shares of the Convertible Preferred Stock.

5. The shares of the Convertible Preferred Stock shall be convertible into shares of the common stock of the Company as hereinafter provided:

(a) The shares of the Convertible Preferred Stock may at any time and from time to time be converted, at the option of the respective holders thereof, in the manner hereinafter provided, into fully-paid and nonassessable shares of the common stock of the Company, at the rate of .96 of a share of common stock for each share of Convertible Preferred Stock so converted; provided, however, that in the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company and any distribution consequent thereon, then any and all rights of conversion shall terminate at the close of business on the thirtieth day after the mailing of the notice of such distribution; and provided also that as to any of the Convertible Preferred Stock which shall have been called for redemption, if payment therefor shall be duly provided, any and all rights of conversion shall terminate at the close of business on the redemption date; and provided further that the conversion ratio shall be subject to adjustment from time to time in certain instances as hereinafter provided. The Company will pay any issue or similar stamp taxes that may be payable with respect to the issue or delivery of common stock upon the conversion of the Convertible Preferred Stock.

(b) No fractional share of common stock shall be issued upon any conversion of any shares of Convertible Preferred Stock, but, instead of any fraction of a share which would otherwise be issuable, the Company shall, at its option, either—

(i) pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the market price per share of the common stock as based on the last sale of such common stock on the New York Stock Exchange prior to the day as of which such conversion is deemed to have been effected; or

(ii) issue a non-dividend bearing and non-voting scrip certificate for such fraction, expiring at the end of such reasonable time as the Board of Directors may prescribe prior to the issue thereof, which reasonable time shall be specified in the scrip certificate and shall be not less than two years after the date of issue of the scrip certificate, provided that each scrip certificate so issued shall provide that, within the reasonable time specified therein, such scrip certificate, together with similar scrip certificates representing in the aggregate a full share or full shares of common stock, shall be exchangeable for stock certificates representing such full share or full shares of common stock.

(c) No adjustment shall be made on account of dividends accrued or in arrears on the Convertible Preferred Stock surrendered for conversion or for dividends on common stock issued upon such conversion.

(d) Any conversion of Convertible Preferred Stock into shares of common stock shall be made by the surrender by the holder thereof to the Company at its principal office in Honolulu, Hawaii, or at such other place or places (if any) as the Board of Directors may from time to time designate, of the certificate or certificates representing the share or shares of Convertible Preferred Stock to be converted, duly endorsed, or accompanied by proper instruments of transfer, to the Company or in blank, together with a written notice from such holder to the Company electing to make such conversion. As soon as practicable after such surrender of any

certificate or certificates for Convertible Preferred Stock for conversion, the Company shall issue and deliver at said office, to or upon the order of the holder for whose account such Convertible Preferred Stock was so surrendered, a certificate or certificates for the number of fully-paid and nonassessable shares of common stock to which such holder shall be entitled as aforesaid, together with a cash adjustment or scrip certificate for any fraction of a share as above provided.

(e) Any conversion of Convertible Preferred Stock into shares of common stock shall be deemed to have been made as of the date of surrender of the certificate for the Convertible Preferred Stock to be converted, and the holder entitled to receive the common stock issuable upon such conversion shall be treated for all purposes as the record holder of such common stock commencing on said date.

(f) In the event that the common stock shall be increased by a stock dividend or stock split, or in the event the common stock shall be increased or otherwise changed by a reclassification or other similar transaction, each share of Convertible Preferred Stock shall thereafter be convertible into the shares of stock or other securities or property resulting from such stock dividend or stock split or reclassification or other similar transaction to which the common stock of the Company deliverable upon the conversion of the Convertible Preferred Stock would have been entitled upon such stock dividend or stock split or reclassification or other transaction, and the Company shall make such appropriate adjustments as may be required in order that the provisions set forth herein shall thereafter be applicable, as nearly as reasonably may be, to any such stock or other securities or property thereafter deliverable upon conversion of the Convertible Preferred Stock. The Company will give to the holders of the Convertible Preferred Stock the same advance notice as is given to the holders of common stock of any proposed offering of additional common stock for subscription by such common stockholders, by mailing such advance notice to each of such holders of Convertible Preferred Stock at his, her or its address as it appears on the books of the Company.

(g) In the event of the consolidation or merger of the Company with another corporation, each share of the Convertible Preferred Stock shall thereafter be convertible into the number of shares of stock or other securities or property of the successor corporation resulting from such consolidation or merger to which the common stock of the Company deliverable upon conversion of the Convertible Preferred Stock would have been entitled upon such consolidation or merger, and the Company shall make such appropriate adjustments as may be required in order that the provisions set forth herein shall thereafter be applicable, as nearly as reasonably may be, to any such other shares, securities or property thereafter deliverable upon conversion of the Convertible Preferred Stock; and as a condition of any such consolidation or merger, any corporation which shall become successor to the Company by reason of such consolidation or merger shall expressly assume the obligation to deliver, upon the exercise of the conversion privilege, such shares, securities or property as the holders of shares of the Convertible Preferred Stock shall be entitled to receive pursuant to the provisions hereof.

(h) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the conversion of shares of Convertible Preferred Stock.

6. All shares of Convertible Preferred Stock redeemed as provided in paragraph 4 above and all shares of Convertible Preferred Stock converted as provided in paragraph 5 above shall not be reissued.

7. The shares of the Convertible Preferred Stock shall be voting stock. The holders of the outstanding shares from time to time of the Convertible Preferred Stock and of the common stock shall vote together on all matters referred to stockholders, including the election of directors, and each outstanding share of the Convertible Preferred Stock and of the common stock shall entitle the holder thereof to one vote; provided, however, that the foregoing is subject to any provisions of law or of the Articles of Association of the Company or of this resolution requiring with respect to any

matters the approval or consent of the holders of any designated percentage of the outstanding shares of the Convertible Preferred Stock; provided, further, that the foregoing is also subject to the provision that if the holders of any series of preferred stock of the Company are entitled to elect a majority of the directors in the event of certain defaults in the payment of preferred stock dividends, then the holders of the Convertible Preferred Stock shall vote with the holders of other series of preferred stock in the election of a majority of directors and shall not vote with the holders of the common stock in the election of a minority of directors.

8. The holders of the Convertible Preferred Stock shall have no preemptive rights to subscribe to any issue of stock or other securities of any class of the Company.

9. The Company may from time to time make additional issues of preferred stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

(a) All dividends on all series of cumulative preferred stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year;

(b) No dividends shall be declared on any series of cumulative preferred stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of cumulative preferred stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarterly-yearly dividend period; and

(c) The holders of each series of cumulative preferred stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and providing that the par value of any additional issue of preferred stock, together with the par value of all preferred stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding common stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on stock) at the time of issuance of such additional preferred stock plus (ii) the earned surplus of the Company, on a non-consolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

10. The Company shall at all times reserve and keep available out of its authorized common stock solely for the purpose of issue upon conversion of the Convertible Preferred Stock as herein provided, such number of shares of common stock as shall from time to time be issuable upon the conversion of all outstanding shares of Convertible Preferred Stock.

11. The Board of Directors of the Company may amend or repeal any provision of this resolution authorizing and creating the Convertible Preferred Stock or add any provision to such resolution or take any other action affecting the Convertible Preferred Stock, provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Convertible Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Convertible Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Convertible Preferred Stock then outstanding.

**Series M 8.05% Cumulative Preferred Stock**

**Series M Cumulative Preferred Stock Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series M, to have an aggregate par value of \$8,000,000, and hereby determines—

**Dividend Rate 8.05%**

1. That the holders of the Series M 8.05% Cumulative Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 8.05% per annum upon the par value of said Preferred Stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series M 8.05% Cumulative Preferred Stock, hereinafter sometimes referred to as the Series M Preferred Stock, shall be as follows:

**Par Value \$100**

(a) The par value of the Series M Preferred Stock shall be \$100 per share.

**Dividend Payable Quarterly**

(b) Dividends on the Series M Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series M Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue. The initial dividend payment date on the Series M Preferred Stock shall be January 15, 1972, and the dividend then payable shall be the dividend accrued from the date of issue. All dividends paid on the Series M Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly installment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment date the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series M Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares, together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-Convertible**

(d) No Series M Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company by action of its Board of Directors, at its option, may redeem on any preferred dividend payment date the whole or a part of the Series M Preferred Stock then outstanding without redeeming the whole of the issue and without redeeming the whole or a part of any other issues of Preferred Stock then outstanding, upon paying in cash to the holders of the Series M Preferred Stock redeemed the redemption price thereof as hereinafter specified, provided that the Company shall not have the right to redeem any Series M Preferred Stock prior to October 15, 1976 as part of a refunding or anticipated refunding operation by application, directly or indirectly, of moneys borrowed or the proceeds of sale of any shares of stock ranking prior to or on a parity in respect of dividends or distribution of assets with the Series M Preferred Stock, if the interest cost to the Company of such moneys borrowed or the dividend cost to the Company of such shares sold is less than 8.05% per annum. The term "interest cost to the Company" means the yield to stated maturity of the debt at the net price received by the Company therefor, determined by reference to a standard table of bond yields using straight-line interpolation if necessary, and the term "dividend cost to the Company" means the percentage yield obtained by dividing the annual dividend rate per share by the net price received by the Company per share (in either case, "net price received by the Company" is to be determined after allowing for all discounts, commissions, finder's fees, and negotiator's fees received or receivable directly from the Company by underwriters, investment bankers, or other financing agents or purchasers). The redemption price for shares of Series M Preferred Stock which shall be redeemed shall be the par value of such Series M Preferred Stock redeemed together with all accrued and unpaid dividends thereon and the following premiums:

\$108.05 per share if the date of redemption is prior to October 15, 1976; \$106.00 per share if the date of redemption is on or after October 15, 1976 but prior to October 15, 1981; \$103.50 per share if the date of redemption is on or after October 15, 1981 but prior to October 15, 1986; and \$101.00 per share if the date of redemption is on or after October 15, 1986.

In all cases of redemption under this subparagraph (e) —

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series M Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California and in the City of New York, State of New York, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series M Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series M Preferred Stock at the time outstanding, the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series M Preferred Stock represented by any certificate are redeemed at any one time, the holders shall be entitled to receive a new Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series M Preferred Stock.

**No Reissuance of Redeemed Preferred Stock**

(vi) No Series M Preferred Stock redeemed as above provided shall be subject to reissue by the Company.

**Voting Rights**

(f) Holders of Series M Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing the holders of Series M Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on the Series M Preferred Stock then the holders of the Series M Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolutions creating the respective issues of Preferred Stock then entitled to vote for directors, to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and, provided further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series M Preferred Stock shall be entitled to voting rights, each share of Series M Preferred Stock having such rights shall be entitled to one vote. The provisions of this subparagraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series M Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that the par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding Common Stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) at the time of issuance of such additional Preferred Stock plus (ii) the earned surplus of the Company, on a nonconsolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Resolution May be Amended With Consent of Holders of 88% % Series M Preferred Stock**

4. The Company may amend or repeal any provision of this resolution authorizing and creating the Series M Preferred Stock or add any provision to such resolution or take any other action affecting the Series M Preferred Stock, provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series M Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series M Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series M Preferred Stock then outstanding.

**Series N 12% Cumulative Preferred Stock**

**Series N Cumulative Preferred Stock Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series N, to have an aggregate par value of \$15,000,000, and hereby determines—

**Dividend Rate 12%**

1. That the holders of the Series N 12% Cumulative Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 12% per annum upon the par value of said Preferred Stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series N 12% Cumulative Preferred Stock, hereinafter sometimes referred to as the Series N Preferred Stock, shall be as follows:

**Par Value \$100**

(a) The par value of the Series N Preferred Stock shall be \$100 per share.

**Dividend Payable Quarterly**

(b) Dividends on the Series N Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series N Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue. The initial dividend payment date on the Series N Preferred Stock shall be January 15, 1975, and the dividend then payable shall be the dividend accrued from the date of issue. All dividends paid on the Series N Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly installment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment date the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series N Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares, together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-Convertible**

(d) No Series N Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company by action of its Board of Directors, at its option, may redeem at any time the whole or a part of the Series N Preferred Stock then outstanding without redeeming the whole or a part of any other issue of Preferred Stock then outstanding, upon paying in cash to the holders of the Series N Preferred Stock redeemed the redemption price thereof as hereinafter specified, provided that the Company shall not have the right to redeem any Series N Preferred Stock prior to October 15, 1984 as part of a refunding or anticipated refunding



operation by applicat. . . directly or indirectly, of moneys borrowed or the proceeds of sale of any shares of stock ranking prior to or on a parity in respect of dividends or distribution of assets with the Series N Preferred Stock, if the interest cost to the Company of such moneys borrowed or the dividend cost to the Company of such shares sold is less than 12% per annum and, provided further, that shares of the Series N Preferred Stock will be redeemable, from any funds regardless of cost, on October 15, 1979 and each October 15 thereafter for the sinking fund provided in clause (vi) below at the sinking fund redemption price, which shall be \$100 per share plus all accrued and unpaid dividends to the date of such redemption. The term "interest cost to the Company" means the yield to stated maturity of the debt at the net price received by the Company therefor, determined by reference to a standard table of bond yields using straight-line interpolation if necessary, and the term "dividend cost to the Company" means the percentage yield obtained by dividing the annual dividend rate per share by the net price received by the Company per share (in either case, "net price received by the Company" is to be determined after allowing for all discounts, commissions, finder's fees, and negotiator's fees received or receivable directly from the Company by underwriters, investment bankers, or other financing agents or purchasers). The redemption price for shares of Series N Preferred Stock which shall be redeemed shall be the par value of such Series N Preferred Stock redeemed together with all accrued and unpaid dividends thereon and the following premiums:

\$112.00 per share if the date of redemption is prior to October 15, 1984; \$106.00 per share if the date of redemption is on or after October 15, 1984 but prior to October 15, 1987; \$103.50 per share if the date of redemption is on or after October 15, 1987 but prior to October 15, 1990; and \$101.00 per share if the date of redemption is on or after October 15, 1990.

In all cases of redemption under this subparagraph (e) —

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series N Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in Honolulu and at an office or agency of the Company in the City of San Francisco, State of California and in the City of New York, State of New York, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series N Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series N Preferred Stock at the time outstanding, the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less than All Shares Redeemed**

(iv) If less than all of the shares of Series N Preferred Stock represented by any certificate are redeemed at any one time, the holder shall be entitled to receive a new Series N Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series N Preferred Stock.

**Sinking Fund**

(vi) The Company shall redeem, as and for the sinking fund for the Series N Preferred Stock, on October 15 in each year commencing October 15, 1979, seven thousand five hundred shares of the Series N Preferred Stock, and may redeem on each said October 15 any number of additional such shares up to seven thousand five hundred additional shares. The redemption of such additional shares shall not reduce the number of shares required to be redeemed for the sinking fund on any subsequent October 15, and the right of the Company to so redeem additional shares shall not be cumulative. The Company shall be entitled to credit against the required sinking fund any shares of Series N Preferred Stock purchased at such times and in such manner as the Board of Directors may determine or any shares redeemed at the option of the Company other than for the sinking fund. Shares of the Series N Preferred Stock acquired by purchase or such optional redemption may be applied in satisfaction of the then current or any succeeding sinking fund requirement.

**No Reissuance of Redeemed Preferred Stock**

(vii) No Series N Preferred Stock redeemed or applied as a credit against a sinking fund as above provided shall be subject to reissue by the Company.

**Voting Rights**

(f) Holders of Series N Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing, the holders of Series N Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on the Series N Preferred Stock then the holders of the Series N Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolutions creating the respective issues of Preferred Stock then entitled to vote for directors, to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than a majority of the Board of Directors; and provided further, that the right to elect a majority of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series N Preferred Stock shall be entitled to voting rights, each share of Series N Preferred Stock having such rights shall be entitled to one vote. The provisions of this subparagraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series N Preferred Stock shall have no pre-emptive rights.

3. The Company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that the par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding Common Stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) at the time of issuance of such additional Preferred Stock plus (ii) the earned surplus of the Company, on a nonconsolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Resolution May be Amended With Consent of Holders of 66 2/3 % Series N Preferred Stock**

4. The Company may amend or repeal any provision of this resolution authorizing and creating the Series N Preferred Stock or add any provision to such resolution or take any other action affecting the Series N Preferred Stock; provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series N Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series N Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series N Preferred Stock then outstanding.

**Series O 11 1/2 % Cumulative Preferred Stock**

**Series O Cumulative Preferred Stock Authorized**

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Preferred Stock to bear the designation Series O, to have an aggregate par value of \$6,500,000, and hereby determines—

**Dividend Rate 11 1/2 %**

1. That the holders of the Series O 11 1/2% Cumulative Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 11 1/2% per annum upon the par value of said Preferred Stock.

**Preferences, Voting Powers, Etc.**

2. That the preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series O 11 1/2% Cumulative Preferred Stock, hereinafter sometimes referred to as the Series O Preferred Stock, shall be as follows:

**Par Value \$100**

(a) The par value of the Series O Preferred Stock shall be \$100 per share.

**Dividend Payable Quarterly**

(b) Dividends on the Series O Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series O Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue. The initial dividend payment date on the Series O Preferred Stock shall be January 15, 1981, and the dividend then payable shall be the dividend accrued from the date of issue. All dividends paid on the Series O Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly installment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment date the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series O Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

**Rights on Liquidation, Etc.**

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares, together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

**Non-Convertible**

(d) No Series O Preferred Stock shall be convertible into any other shares or securities of the Company.

**Redemption**

(e) The Company by action of its Board of Directors, at its option, may redeem at any time the whole or a part of the Series O Preferred Stock then outstanding without redeeming the whole or a part of any other issue of Preferred Stock then outstanding, upon paying in cash to the holders of the Series O Preferred Stock redeemed the redemption price thereof as hereinafter specified, provided that the Company shall not have the right to redeem any Series O Preferred Stock prior to October 15, 1990 as part of a refunding or anticipated refunding operation by application, directly or indirectly, of moneys borrowed or the proceeds of sale of any shares of stock ranking prior to or on a parity in respect of dividends or distribution of

assets with the Series Preferred Stock, if the interest cost to the Company of such moneys borrowed or the dividend cost to the Company of such shares sold is less than 11¼% per annum and, provided further, that shares of the Series O Preferred Stock will be redeemable, from any funds regardless of cost, on October 15, 1986 and each October 15 thereafter for the sinking fund provided in clause (vi) below at the sinking fund redemption price, which shall be \$100 per share plus all accrued and unpaid dividends to the date of such redemption. The term "interest cost to the Company" means the yield to stated maturity of the debt at the net price received by the Company therefor, determined by reference to a standard table of bond yields using straight-line interpolation if necessary, and the term "dividend cost to the Company" means the percentage yield obtained by dividing the annual dividend rate per share by the net price received by the Company per share (in either case, "net price received by the Company" is to be determined after allowing for all discounts, commissions, finder's fees, and negotiator's fees received or receivable directly from the Company by underwriters, investment bankers, or other financing agents or purchasers). The redemption price for shares of Series O Preferred Stock which shall be redeemed shall be the par value of such Series O Preferred Stock redeemed together with all accrued and unpaid dividends thereon and the following premiums:

\$111.50 per share if the date of redemption is prior to October 15, 1981; \$110.80 per share if the date of redemption is on or after October 15, 1981 but prior to October 15, 1982; \$110.10 per share if the date of redemption is on or after October 15, 1982 but prior to October 15, 1983; \$109.40 per share if the date of redemption is on or after October 15, 1983 but prior to October 15, 1984; \$108.70 per share if the date of redemption is on or after October 15, 1984 but prior to October 15, 1985; \$108.00 per share if the date of redemption is on or after October 15, 1985 but prior to October 15, 1986; \$107.30 per share if the date of redemption is on or after October 15, 1986 but prior to October 15, 1987; \$106.60 per share if the date of redemption is on or after October 15, 1987 but prior to October 15, 1988; \$105.90 per share if the date of redemption is on or after October 15, 1988 but prior to October 15, 1989; \$105.20 per share if the date of redemption is on or after October 15, 1989 but prior to October 15, 1990; \$104.50 per share if the date of redemption is on or after October 15, 1990 but prior to October 15, 1991; \$103.80 per share if the date of redemption is on or after October 15, 1991 but prior to October 15, 1992; \$103.10 per share if the date of redemption is on or after October 15, 1992 but prior to October 15, 1993; \$102.40 per share if the date of redemption is on or after October 15, 1993 but prior to October 15, 1994; \$101.70 per share if the date of redemption is on or after October 15, 1994 but prior to October 15, 1995; and \$101.00 per share if the date of redemption is on or after October 15, 1995.

In all cases of redemption under this subparagraph (e) —

**Notice of Redemption**

(i) Notice of redemption shall be sent by registered mail to each of the holders of the Series O Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

**Place of Redemption; Dividends Cease on Redemption Date**

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in the City of Honolulu, State of Hawaii, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series O Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

**Where Less Than All Shares Redeemed**

(iii) In case of the redemption of less than all shares of Series O Preferred Stock at the time outstanding, the shares of such series to be redeemed shall be selected by the Company by lot or in such other equitable manner as the Board of Directors of the Company shall determine.

**Splitting of Certificates Where Less Than All Shares Redeemed**

(iv) If less than all of the shares of Series O Preferred Stock represented by any certificate are redeemed at any one time, the holder shall be entitled to receive a new Series O Preferred Stock certificate representing the shares which are not so redeemed.

**Authority of Board of Directors to Provide Redemption Procedure**

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series O Preferred Stock.

**Sinking Fund**

(vi) The Company shall redeem, as and for the sinking fund for the Series O Preferred Stock, on October 15 in each year commencing October 15, 1986, three thousand two hundred and fifty shares of the Series O Preferred Stock, and may redeem on each said October 15 any number of additional such shares up to three thousand two hundred and fifty additional shares. The redemption of such additional shares shall not reduce the number of shares required to be redeemed for the sinking fund on any subsequent October 15, and the right of the Company to so redeem additional shares shall not be cumulative. The Company shall be entitled to credit against the required sinking fund any shares of Series O Preferred Stock purchased at such times and in such manner as the Board of Directors may determine or any shares redeemed at the option of the Company other than for the sinking fund. Shares of the Series O Preferred Stock acquired by purchase or such optional redemption may be applied in satisfaction of the then current or any succeeding sinking fund requirement.

**No Reissuance of Redeemed Preferred Stock**

(vii) No Series O Preferred Stock redeemed or applied as a credit against a sinking fund as above provided shall be subject to reissue by the Company.

**Voting Rights**

(i) Holders of Series O Preferred Stock shall not be entitled to any voting rights or privileges, except as otherwise expressly provided to the contrary, and without limitation to the generality of the foregoing, the holders of Series O Preferred Stock shall have no right to vote on the matter of the creation or issuance of new series or additional shares of Preferred Stock; provided, however, that in the event the Company shall at any time be in default in the payment of four quarterly dividends on the Series O Preferred Stock then the holders of the Series O Preferred Stock until all accrued dividends on the Preferred Stock shall have been paid shall have the right as a class, together with the holders of all other issues of Preferred Stock then outstanding, if the holders of such other issues of Preferred Stock are under the terms of the resolutions creating the respective issues of Preferred Stock then entitled to vote for directors, (i) until such date as all other series of Preferred Stock heretofore issued shall have been redeemed or otherwise retired and shall not be outstanding, to elect a majority of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect one less than

a majority of the Board of Directors and (ii) from and after such date as all other series of Preferred Stock heretofore issued shall have been redeemed or otherwise retired and shall not be outstanding, to elect two members of the Board of Directors, and the holders of Common Stock shall have the right as a class to elect all other members of the Board of Directors; and, provided further, that the right to elect members of the Board of Directors, under the circumstances as aforesaid, shall not affect or modify the provision of the By-laws or any modification of such provision or any future provision of the By-laws authorizing the members of the Board of Directors, even though a minority, to fill vacancies in the Board of Directors, including temporary vacancies caused by the illness of directors or the temporary absence of directors from the Island of Oahu. Whenever Series O Preferred Stock shall be entitled to voting rights, each share of Series O Preferred Stock having such rights shall be entitled to one vote. The provisions of this subparagraph (f) are subject to any provisions of law requiring the vote of holders of Preferred Stock with respect to certain matters.

**Pre-emptive Rights**

(g) The Series O Preferred Stock shall have no pre-emptive rights.

3. The company may from time to time make additional issues of Preferred Stock with preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that—

**Limitation on Additional Issues of Preferred Stock**

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period; and

(3) The holders of each series of Cumulative Preferred Stock shall share ratably in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors;

and provided that the par value of any additional issue of Preferred Stock, together with the par value of all Preferred Stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding Common Stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) at the time of issuance of such additional Preferred Stock plus (ii) the earned surplus of the Company, on a nonconsolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

**Resolution May be Amended With Consent of Holders of 66 2/3 % Series O Preferred Stock**

4. The Company may amend or repeal any provision of this resolution authorizing and creating the Series O Preferred Stock or add any provision to such resolution or take any other action affecting the Series O Preferred Stock; provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series O Preferred Stock any of the preferences, voting powers, restrictions and qualifications thereof so as to affect such Series O Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series O Preferred Stock then outstanding.

Series P 13.75% Cumulative Preferred Stock

NOW, THEREFORE, BE IT RESOLVED that the Company hereby authorizes a class of Cumulative Preferred Stock to bear the designation Series P, to have an aggregate par value of \$5,000,000, and hereby determines--

1. That the holders of the Series P 13.75% Cumulative Preferred Stock shall be entitled to receive from the profits and surplus of the Company dividends at the rate of 13.75% per annum upon the par value of said Preferred Stock.

2. That the terms, preferences, voting powers, restrictions and qualifications thereof, with the exception of the dividend rate, of the Series P 13.75% Cumulative Preferred Stock, hereinafter sometimes referred to as the Series P Preferred Stock, shall be as follows:

(a) The par value of the Series P Preferred Stock shall be \$100 per share.

(b) Dividends on the Series P Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 of each year as and when declared by the Board of Directors. Dividends on the Series P Preferred Stock shall be preferential and shall be cumulative, whether or not earned, from the date of issue. The initial dividend payment date on the Series P Preferred Stock shall be January 15, 1982, and the dividend then payable shall be the dividend accrued from the date of issue. All dividends paid on the Series P Preferred Stock shall be paid in chronological order with reference to the due dates for each quarterly installment. In the event the Company fails to pay the full dividends accrued on all shares of Cumulative Preferred Stock of all series on any dividend payment date then, until full cumulative dividends shall have been paid with respect to all series of Cumulative Preferred Stock, the amounts which are paid by the Company shall be paid ratably among the holders of each series of Cumulative Preferred Stock then outstanding in proportion to the annual dividend rate fixed therefor without discrimination or preference between dates of issue thereof. Preferential dividends at the rate set forth in paragraph 1 of this resolution shall be declared and paid or set apart for payment in full for the current and all previous quarterly dividend periods before the declaration or payment or setting apart of any funds or assets for payment of any dividends (other than dividends



consisting solely of Common Stock of the Company) on the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and before any purchase or other acquisition of any Common Stock or any future class of stock except Cumulative Preferred Stock of any series. The holders of the Series P Preferred Stock shall not be entitled to dividends in excess of the dividend rate thus prescribed and shall not be entitled to interest on accrued and unpaid dividends. No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends ratably in proportion to the annual dividend rates fixed therefor in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period.

(c) In the event of the liquidation, dissolution, receivership, bankruptcy, disincorporation or winding up of the affairs of the Company, voluntarily or involuntarily, the holders of the Cumulative Preferred Stock of each series shall be entitled to be paid in full or ratably, in so far as the assets of the Company will permit, the par value of their shares, together with the accrued and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of the Common Stock or any future class of stock except Cumulative Preferred Stock of any series and shall be entitled to no other distribution.

(d) No Series P Preferred Stock shall be convertible into any other shares or securities of the Company.

(e) The Company by action of its Board of Directors, at its option, may redeem at any time the whole or a part of the Series P Preferred Stock then outstanding without redeeming the whole or a part of any other issue of Cumulative Preferred Stock then outstanding, upon paying in cash to the holders of the Series P Preferred Stock to be redeemed the redemption price thereof, which redemption price shall be \$100 per share together with the accrued and unpaid dividends thereon to the date of such redemption, provided that the Company shall not have the right to redeem any Series P Preferred Stock prior to October 15, 1988. In all cases of redemption under this subparagraph (e):

(i) Notice of redemption shall be sent by certified or registered mail to each of the holders of the Series P Preferred Stock to be redeemed to his, her or its address as the same appears on the books of the Company, not less than thirty days prior to the date of redemption.

(ii) The payment of the redemption price of the shares redeemed shall be made at the office of the Company in the City of Honolulu, State of Hawaii, and at such other place or places, if any, as shall be specified in the notice of such redemption and shall be made upon the surrender of certificates for the shares redeemed. From and after the date fixed in any such notice as the date of redemption, unless the Company shall fail in the payment of the redemption price, dividends on the Series P Preferred Stock redeemed shall cease to accrue and all rights with respect thereto of the holders thereof, except the right to receive the redemption price thereof plus accrued and unpaid dividends, will cease and determine.

(iii) In case of the redemption of less than all shares of Series P Preferred Stock at the time outstanding, the shares of such series to be redeemed shall be selected by the Company on a pro rata basis.

(iv) If less than all of the shares of Series P Preferred Stock represented by any certificate are redeemed at any one time, the holder shall be entitled to receive a new Series P Preferred Stock certificate representing the shares which are not so redeemed.

(v) The Board of Directors shall have full discretion from time to time to prescribe and regulate, subject to the provisions hereinabove set forth, the procedure to be followed and the details concerning the redemption of shares of Series P Preferred Stock.

(vi) No Series P Preferred Stock redeemed as above provided shall be subject to reissue by the Company.

The Company shall redeem, as and for the sinking fund for the Series P Preferred Stock, 16,666 shares of Series P Preferred Stock on October 15, 1989, and 16,667 of such

shares on each October 15 thereafter until all shares of Series P Preferred Stock shall have been retired, at a sinking fund redemption price of \$100 per share plus all accrued and unpaid dividends to the date of such redemption. The sinking fund requirement of the Company to redeem shares of Series P Preferred Stock pursuant to this paragraph shall be cumulative. If at any time the Company shall not have satisfied in full such cumulative sinking fund requirement, the Company shall not pay or declare and set apart for payment any dividends upon, or make any other distribution with respect to, or redeem, purchase or otherwise acquire any shares of Common Stock or any future class of stock except Cumulative Preferred Stock of any series. If at any time the Company shall not have satisfied in full such cumulative sinking fund requirement, any funds of the Company legally available for such purposes shall be allocated among all such sinking funds in proportion to the respective amount then required for the satisfaction thereof.

(f) Holders of Series P Preferred Stock shall not be entitled to any voting rights or privileges.

(g) The Series P Preferred Stock shall have no preemptive rights.

3. The Company may from time to time make additional issues of Cumulative Preferred Stock with terms, preferences, voting powers, restrictions and qualifications thereof other than those contained herein except that--

(1) All dividends on all series of Cumulative Preferred Stock shall be payable in equal quarterly installments on January 15, April 15, July 15 and October 15 in each year;

(2) No dividends shall be declared on any series of Cumulative Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of Cumulative Preferred Stock at the time outstanding like proportionate dividends, ratably, in proportion to the annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period;

(3) The holders of each series of Cumulative Preferred Stock shall share ratably, in proportion, in the case of each series to the par value thereof

and the accrued and unpaid dividends thereon in any distribution upon any liquidation, dissolution or winding up of the Company after payment or provision is made for the payment of all creditors; and

(4) To the extent that any series of Cumulative Preferred Stock is entitled to the benefits of a sinking fund, such sinking fund shall in all cases rank pari passu with, or be subordinate to, the sinking fund in respect of the Series P Preferred Stock;

and provided that the par value of any additional issue of preferred stock, together with the par value of all preferred stock previously issued by the Company and then outstanding, shall not exceed in the aggregate the sum of (i) the total par or stated value of all the issued and outstanding Common Stock and the capital or paid-in surplus of the Company (including, without limitation, premiums on Common Stock) at the time of issuance of such additional preferred stock plus (ii) the earned surplus of the Company, on a nonconsolidated basis, as of a date within 90 days prior to such additional issuance, reduced by any charges against earned surplus made after such date and at or prior to such additional issuance.

4. The Company may amend or repeal any provision of this resolution authorizing and creating the Series P Preferred Stock or add any provision to such resolution or take any other action affecting the Series P Preferred Stock; provided, however, that if such amendment, repeal, addition or action would alter or change with respect to the Series P Preferred Stock any of the terms, preferences, voting powers, restrictions and qualifications thereof so as to affect such Series P Preferred Stock adversely, such amendment, repeal, addition or action shall not be effected without the consent in writing of the holders of at least two-thirds of the shares of Series P Preferred Stock then outstanding.