

**HAWAIIAN TELCOM HOLDCO, INC.
HAWAIIAN TELCOM COMMUNICATIONS, INC.**

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS**

Adopted by the Board of Directors on November 8, 2005

I. PURPOSE OF THE COMMITTEE

The purpose of the Compensation Committee (the "Committee") of the Board of Directors is to assist the Board of Directors in fulfilling its responsibilities by:

- (1) designing (in consultation with management and the Board of Directors), evaluating, and approving (or, as may be deemed appropriate by the Committee, recommending to the Board of Directors for approval) the compensation and employee benefit plans, policies and programs of the Corporation (collectively, the "plans"), especially those pertaining to executives and non-employee directors, and
- (2) determining the compensation of the Chief Executive Officer and other executives of the Corporation, and making recommendations to the Board of Directors concerning the compensation of the non-employee directors of the Corporation.

II. COMPOSITION OF THE COMMITTEE

The Committee shall consist of three or more directors of the Corporation appointed by the Board of Directors. Any vacancy on the Committee shall be filled by a majority vote of the Board of Directors, and a member of the Committee may be removed only by a majority vote of the Board of Directors. Unless a Chairman of the Committee is designated by the Board of Directors, the Committee may designate a Chairman by a majority vote of the full Committee membership.

III. SPECIFIED DUTIES OF THE COMMITTEE

The Committee shall have the following responsibilities:

- (1) Establish the compensation philosophy of the Corporation;
- (2) Review and approve the compensation of the Chief Executive Officer and other executives, and review and make recommendations to the Board of Directors concerning the compensation of the non-employee directors of the Corporation;
- (3) Review and approve corporate goals and objectives relating to performance-based compensation of executives of the Corporation, evaluate the performance of such

executives in light of these goals and objectives, and establish the performance-based compensation of such executives based on such evaluation;

(4) Manage and review all equity-based compensation plans, qualified retirement plans, and benefit plans of the Corporation;

(5) Review and approve all grants of stock and stock options to employees of the Corporation pursuant to any equity-based compensation plans of the Corporation;

(6) Manage and review the grant of perquisite benefits;

(7) Review and approve all grants of bonuses to executives and other employees of the Corporation and all other employee benefits granted to employees of the Corporation; and

(8) Perform any other action as the Committee or Board of Directors deems necessary or appropriate, consistent with the purpose of the Committee.

The Committee's responsibility for managing and reviewing the compensation and employee benefit plans of the Corporation includes responsibility for general administration, an annual review of the plans, the setting of performance targets when appropriate, and approval of any and all changes, including termination of compensation or employee benefit plans when appropriate. All annual plan reviews should include reviewing the plan's administrative costs, reviewing current plan features relative to any proposed new features, assessing the performance of the plan's internal and external administrators if any duties have been delegated, and formally adopting any plan changes by resolution of the Committee.

IV. DELEGATION OF DUTIES OF THE COMMITTEE

In fulfilling its responsibilities, the Committee may, as it deems appropriate, delegate certain of its responsibilities to a subcommittee of the Committee or to specified executive officers of the Corporation.

V. MEETINGS OF THE COMMITTEE

The Committee shall meet as often as it deems necessary to fulfill its responsibilities as set forth in this Charter. Meetings of the Committee shall be held upon call by the Chairman of the Committee. The Committee may meet in person or telephonically. A quorum of the Committee shall consist of a majority of the members of the Committee in office at the time of any meeting, and the vote of a majority of the members of the Committee present at the time of a vote, if a quorum is present at that time, shall be the act of the Committee. The Chairman or, in his absence, another member chosen by the attending members, shall preside at each meeting and set the agendas for Committee meetings.

The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Corporation's By-Laws that are applicable to the Committee or any other applicable corporate governance guidelines of the Corporation.

The Committee may, in its discretion, include in its meetings (or portions thereof) member of the Corporation's management, the Corporation's legal, tax, or accounting advisors, and others whose presence the Committee believes to be necessary or appropriate.

The Committee shall have the sole authority, as it deems appropriate, to retain and/or replace, as needed, any independent counsel, compensation or benefits consultant, or other outside expert or advisor that the Committee believes to be necessary or appropriate. The Committee also may utilize the services of the Corporation's regular legal counsel or other advisors. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons retained by the Committee.

The Committee shall report to the Board of Directors following meetings of the Committee and as otherwise requested by the Chairman of the Board of Directors.