Hughes Supply, Inc.
Corporate Governance Guidelines

1. Purpose and Context. These Corporate Governance Guidelines (the "Guidelines") of Hughes Supply, Inc. (the "Company") have been adopted by the Board of Directors of the Company (the "Board") as of March 26, 2004, and amended and restated as of March 8, 2005, pursuant to that certain Hughes Supply, Inc. Nominating/Corporate Governance Committee Charter adopted by the Board on March 26, 2004 (the "Charter"), for the purpose of setting forth certain key elements underlying the governance of the Company within the context of the Company's Articles of Incorporation (the "Articles"), By-Laws (the "By-Laws"), policies and procedures and within the framework of applicable laws, rules and regulations.

2. Disclosure of Guidelines. These Guidelines shall be posted on the Company's website and made available without charge in printed form upon the request of any shareholder.

3. Governance Structure of the Company and the Board. All corporate authority resides in the Board as the representative of the Company's shareholders, except to the extent such authority may be delegated by the Board to management from time to time. The Company's business is conducted under the direction of a chief executive officer (the "CEO") and other officers appointed by the Board. The structure and size of the Board and its committees, including the number, classes and terms of service for directors shall be determined in the manner set forth in the Articles and By-Laws or as otherwise required by applicable laws, rules and regulations. The Board, pursuant to the By-Laws, shall appoint a Chair to preside over meetings of the Board.

4. Board Committees. The Board has established the following standing committees, each operating under the leadership of its chair, to assist the Board in discharging its responsibilities:

- Audit Committee;
- Compensation Committee;
- Nominating/Corporate Governance Committee; and
- Executive Committee.

The Board may form other committees and delegate responsibilities thereto as it determines appropriate.

At all times, the Board shall have Audit, Compensation and Nominating/Corporate Governance committees, with such powers and duties as set forth in their respective charters, the By-Laws, by the Board and as required by applicable laws, rules and regulations, and each shall consist of not less than three (3) non-management directors, which directors shall be determined to be independent by the Board under the Company's "Independence Standards" referred to hereinbelow.

Committee members shall be appointed upon recommendation of the Nominating/Corporate Governance Committee. Each of the Audit, Compensation and Nominating/Corporate Governance committees shall have its own charter setting forth the purposes, goals and responsibilities of such committee. Not less than annually, each of the Audit, Compensation and Nominating/Corporate Governance committees shall evaluate its own performance and report to the Board concerning the same. The charters of the Audit, Compensation and Nominating/Corporate Governance Committees shall be posted on the Company's website, included in the Company's annual proxy statement and securities filings to the extent required by applicable laws, rules and regulations, and made available without charge in printed form upon the request of any shareholder.

The Chair of each Board committee shall, in consultation with other members of such committee, determine the frequency and timing of, and agendas for, all meetings of such committee. All Board committees shall report regularly to the Board concerning their findings, recommendations and actions taken. The Board shall, not less than annually, determine whether its committees are functioning effectively.

5. Duties of All Directors. Directors shall discharge their duties as director, including duties as a member of any Board committee, in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner that the director reasonably believes to be in the best interests of the Company.

In discharging such duties, a director shall be entitled to rely, provided that the director does not have knowledge making such reliance unwarranted, on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

- one or more officers or employees of the Company whom the director reasonably believes to be reliable and competent in the matters presented,

- legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the persons' professional or expert competence, or

- a committee of the Board of which the director is not a member if the director reasonably believes such committee merits confidence.

In discharging such duties, a director may consider such factors as the director deems relevant, including the long-term prospects and interests of the Company and its shareholders, and the social, economic, legal or other effects of any action on the employees, suppliers, customers of the Company or its subsidiaries, the communities and society in which the Company or its subsidiaries operate, and the economy of the state and the nation.

6. Attendance of Directors. Directors are expected to attend, in person or via telephone, Board meetings and meetings of the Board committees on which they serve and to review in advance of meetings all materials provided. Directors are encouraged to attend the Company's annual meeting of shareholders. To facilitate such attendance, the Company shall endeavor to schedule a regular meeting of the Board on the same date as such annual meeting.

7. Agenda for Board Meetings. The Chair shall be responsible for setting the agenda for each Board meeting. Any director may request that the Chair add matters to an agenda or may raise such matters in a Board meeting whether or not such matter is on the agenda for such meeting.

8. Non-Management Directors and Executive Sessions. The Company's non-management directors (which for purposes of these Guidelines shall mean all directors who are not officers or employees of the Company) shall meet in regularly scheduled executive sessions, outside the presence of management, generally in connection with regularly scheduled Board meetings.

The non-management directors may also meet in executive session at such other times as a majority of them deem prudent.

The non-management directors shall appoint one of their members to serve as the presiding director for each such executive session. The name of such presiding director shall be disclosed in the Company's annual proxy statement. The non-management directors whom the Board has deemed to be independent shall meet in executive session at least annually, outside the presence of management and outside the presence of any non-independent directors.

At all times, the Company shall provide and disclose in the manner required by applicable laws, rules and regulations a method for interested parties to communicate directly with the presiding director or the non-management directors as a group.

9. Qualifications and Independence of the Board. The Board shall at all times have a majority of directors who satisfy the Company's "Independence Standards" as adopted by the Board from time to time, which standards are incorporated herein by reference, and shall meet or exceed those promulgated from time to time by the New York Stock Exchange and those promulgated under any applicable laws, rules or regulations.

The Nominating/Corporate Governance Committee of the Board shall review on a regular and not less than annual basis the composition of the Board and make recommendations to the Board concerning the same, which review may include, among other things, consideration of the following: independence, skills and experience, personal qualities and characteristics, character, judgment, diversity, age, background, accomplishments and reputation in the business community, knowledge and contacts in the Company's lines of business or in lines of business relevant to the Company's business, ability and willingness to devote sufficient time to effectively serve on the Board and its committees, knowledge and expertise in various specialties such as marketing, production, strategic planning, distribution, management, technology, accounting, finance and law, and fit of each director's skills, experience and personality with the other directors.

A director shall not stand for election or reelection if, at the time of such election, such director has attained the age of seventy. Any director elected prior to attaining the age of seventy may serve his or her term even if such director attains the age of seventy prior to the expiration of such term.

10. Selection of New Directors. One of the tasks of the Company's Nominating/Corporate Governance Committee is to identify and recruit candidates to serve on the Board. The Nominating/Corporate Governance Committee shall make the final candidate recommendations to the Board. The Nominating/Corporate Governance Committee and the Board as a whole shall give due consideration to the standards and qualifications set forth in these Guidelines, including Section 9 hereof, and strive to nominate candidates who meet such standards and have such qualifications. The Board, in consultation with the Nominating/Corporate Governance Committee, shall propose a slate of directors for each annual shareholders meeting and present the same to the shareholders for consideration in accordance with the Articles and By-Laws.

Subject to the requirements set forth in the Articles, the Company's shareholders are permitted to propose nominees for director for consideration by the Company's Nominating/Corporate Governance Committee by submitting names and supporting information to: Hughes Supply, Inc., Attention: Corporate Secretary, Corporate Offices, One Hughes Way, Orlando, Florida 32805.

Pursuant to the Articles and By-Laws, the Board, in consultation with the Nominating/Corporate Governance Committee, is permitted to fill vacancies occurring on the Board in between annual shareholder meetings.

11. Change in Status of Directors. Upon retirement, resignation, change in employer or other significant change in professional roles and responsibilities, a director shall notify the Board and the Board and/or the Nominating/Corporate Governance Committee may consider whether a change in an individual's professional responsibilities directly or indirectly impacts that person's ability to fulfill directorship obligations. To facilitate such consideration, all management directors shall be expected to submit a resignation from the Board as a matter of course upon retirement, resignation or termination of employment with the Company.

12. Orientation and Continuing Education of Directors. As new directors are added to the Board, appropriate arrangements should be made with management to orient such directors with respect to the Company's organizational structure, governance, code of conduct/ethics, business operations, financial reporting, industry, and management, as well as the functioning of the Board and other appropriate matters. In addition, management should endeavor to continue to keep both new and continuing directors informed of significant developments affecting the Company.

13. Director Access to Management and Independent Advisors for Directors. Directors shall have full access to the Company's management and to information about the Company's operations. Except in exceptional circumstances, the CEO should be advised of significant contacts with the Company's management. The Board and its committees shall have the right at any time to retain, at the Company's expense, independent outside financial, legal or other advisors as they deem necessary and appropriate to fulfilling their duties.

14. Compensation of the Directors. The Compensation Committee of the Board shall have the responsibility for recommending to the Board compensation and benefits for non-management directors. In discharging this duty, such committee shall be guided by the following: compensation should fairly pay directors for work required in a company of the Company's size and scope, compensation should align directors' interests with the long-term interests of the Company's shareholders, and compensation should contain both cash and equity components. Not less than annually, the Compensation Committee shall review and determine non-management director compensation and benefits.

In determining compensation and benefits for non-management directors, the Compensation Committee shall be careful to:

- ensure that such director's compensation, benefits and emoluments do not exceed what is customary in such a way as to call into question such non-management director's independence, and

- critically evaluate such director's compensation, benefits and emoluments in the context of any substantial charitable donations made by the Company to organizations with which such director is affiliated, consulting or other contracts with such director and any other direct or indirect forms of compensation.

15. Evaluation of the Board. The Board shall conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Nominating/Corporate Governance Committee shall compile comments from all directors and report annually to the Board with an assessment of the Board's performance.

16. Evaluation of Management and Management Succession. The Compensation Committee shall conduct an annual review of the CEO's performance and report to the Board concerning the same. The CEO shall, not less than annually, review the performance of senior management and report the same to the Board. The Nominating/Corporate Governance Committee shall conduct an annual review of the Company's succession planning and report to the Board concerning the same. The Board shall approve and maintain policies regarding succession for the CEO in the event of an emergency. At least annually, the CEO shall meet with the non-management directors to discuss succession planning and potential successors as CEO. The non-management directors shall also meet in executive session to consider such matters and its discussions with the CEO. The CEO shall approve and maintain succession plans for senior management.