

Retirement Solutions

Introducing the New Alexander & Baldwin Retirement Plan... Providing Real Value to Help You Build a Secure Financial Future

Welcome to Alexander & Baldwin! You are part of our new workforce – a group of employees more diverse than ever before. And while we look forward to a long-term, successful partnership with you, we also recognize that you may choose to work for us for a shorter period of time – contributing your skills, your talents and your hard work to help us be successful during your tenure and beyond.

To recognize the contributions you'll make throughout your career – however long that career may be – we are proud to offer you the new A&B Retirement Plan.¹

Recently redesigned, this Plan has been crafted to:

- Help employees prepare for a secure financial future, and
- Be one that the company can sustain in a financially responsible manner over the long term.

The Retirement Plan is just one component of a comprehensive and competitive retirement program that can help you accumulate meaningful assets for your retirement.

This brochure provides an overview of how the Retirement Plan works, plus summarizes the other plans that make up A&B's retirement program.

The A&B Retirement Plan... A Closer Look

Okay – we realize that you've just started with us so thoughts of retirement aren't likely to be uppermost in your mind. But, really, no matter how far away your retirement might be, the time to starting thinking about it, and preparing for it, is now... today... as a new employee, with a host of retirement savings opportunities available to you.

How far away do you think your retirement is from today? What are your goals for that retirement?

The new A&B Retirement Plan is designed to help support employees during retirement – no matter how far away retirement is, or what that retirement will look like.

Here's why...

The new Retirement Plan features the key advantages of "traditional" retirement plans.

The Plan is:

- Fully paid for by A&B – you are *automatically* enrolled in the Plan when you become eligible and you do *not* make any contributions; and
- Backed by the Pension Benefit Guaranty Corporation (PBGC), meaning your vested benefits are protected.

But the Plan also has some advantages more commonly associated with other types of plans designed to meet the needs of a more mobile workforce. With the Plan you:

- Can track the growth in your future retirement benefit as "Pay" and "Interest" credits are allocated to you year after year, as described on the following page

¹ The formal name of the plan is the A&B Retirement Plan for Salaried Employees of Alexander & Baldwin, Inc. There are identical benefits provided by the A&B Retirement Plan for Salaried Employees of Hawaiian Commercial & Sugar Company and the Retirement Plan for Employees of Matson for the salaried non-bargaining unit employees of those respective companies.

- Will become vested in your benefits more quickly than traditional plans; and
- Have flexibility in both how and when you may receive your retirement benefit.

How the Plan Works

Under the new Retirement Plan, benefits are expressed as an account balance – much like a savings account or the A&B Individual Deferred Compensation (IDC) Plan.

When you become eligible to participate – the first day of the month after you have completed one year of service – A&B will set up a special “**notional**” account for you, through which you can track the growth of your future retirement plan benefit. (A notional account is a bookkeeping account established on behalf of eligible employees in order to track the accumulation of Credits, as described below.)

At the end of each calendar year, A&B will apply to your account two types of credits:

- A **Pay Credit**, which is equal to 5% of your compensation – your compensation includes your base pay, overtime and annual one-year bonuses; and
- An **Interest Credit**, which will be based on 10-year U.S. Treasury rates.

Over the years that you work at A&B, your account will continue to grow because:

- You will continue to receive Pay Credits for as long as you work for A&B and remain eligible to participate in the Plan

Plus

- The amount of your Pay Credits will increase as your salary increases

Plus

- Interest Credits will be applied to ever-larger account balances resulting in increased gains with no risk of investment losses.

To earn an Interest Credit, you must have a balance in your account at the time this credit is applied; therefore, in your first year of participation, your year-end allotment will only include a Pay Credit. This first-year Pay Credit will be based on your earnings from your date of hire.

Here's an example...

- ✓ **If your first day of employment with A&B is January 1, 2008**, you will become eligible for the Plan on January 1, 2009.
- ✓ **You will receive your first Pay Credit on December 31, 2009** - but this Pay Credit will be 5% of the compensation you earned from January 1, 2008, through December 31, 2009.
- ✓ **Your first Interest Credit will be allocated to you on December 31, 2010.**

You are entitled to receive a benefit from the Plan once you are vested (and after you leave A&B). Being “vested” means you have earned a right to, or “own,” the value of your vested account. You will be vested in your Plan benefit after you have completed three years of service with A&B.

You may receive your retirement benefit under the Plan once you leave A&B, generally at retirement. (You qualify for normal retirement at age 65, and early retirement at age 55 with 5 years of service.) If you leave A&B but are not yet retiring, and you want to defer paying taxes on your benefit, you can:

- Take a lump sum payout and roll the amount over into another plan, such as an Individual Retirement Account (IRA) or another employer’s qualified plan (if that plan accepts such rollovers); or
- Leave your benefit in the Plan – you will continue to receive Interest Credits applied to your account balance until the time you begin receiving your benefit.

The Retirement Plan is Part of a Comprehensive Program...

The A&B Retirement Program is really a suite of plans that work together to help you create a secure financial future. The program includes the:

- Retirement Plan – described on the previous pages
- Individual Deferred Compensation (IDC) Plan – a tax-advantaged 401(k) savings plan that provides you with Company-matching contributions when you contribute to the Plan; and
- Profit Sharing Retirement (PSR) Plan – a plan through which you share in A&B’s financial success through additional pre-tax contributions made by the Company if it meets pre-determined profit targets.

Together, your retirement benefits provide a significant foundation for your future financial security – and represent a significant part of the total compensation you receive from A&B.

For an illustration of how these plans work together, see *“Putting it all Together”* starting below.

How the Plan Pays Benefits

The Retirement Plan is designed to provide you with a reliable source of future income. But the new A&B Plan provides you with more flexibility than traditional retirement plans.

Under the Plan you may choose to receive your benefit in the form of a:

- Lump sum payout, or
- A monthly payout (an annuity).

If you are married, you will receive monthly payments for life and, in the event you die before your spouse, the Plan will continue to make payments to your spouse for the remainder of his or her life unless you receive your spouse’s notarized consent to another form of payment.

Your Benefit is Protected

The Pension Benefit Guaranty Corporation (PBGC) insures benefits under the A&B Retirement Plan. This protects your benefits in the event the Plan is terminated and there are insufficient funds to pay benefits.

Putting it All Together...

How much your retirement benefits (from all sources, including Social Security) will be depends on a number of factors, including:

Don’t Forget to Name Your Beneficiary!

It’s important that you designate a beneficiary to your Retirement Plan benefit. Your beneficiary is the individual(s) who will receive your retirement benefit in the event you die after you are vested but before receiving this benefit.

If you are married, your beneficiary is automatically your spouse. If you are not married, your beneficiary may be your domestic partner, a child or children, or other individual ... it’s up to you!

If you are not married and do not designate a beneficiary to your retirement benefit, your beneficiary will automatically be your surviving children (in equal shares) or if none, your estate.

- Your age at retirement
- Your compensation over the course of your working years, including your years at A&B
- How many years of service you earn with A&B before retiring or leaving the organization
- How much you have contributed to the IDC Plan (and how much A&B contributes to this Plan based on your contribution) and similar benefit plans throughout your working years; and

- How much A&B contributes to the PSR Plan over the course of your career with the Company.

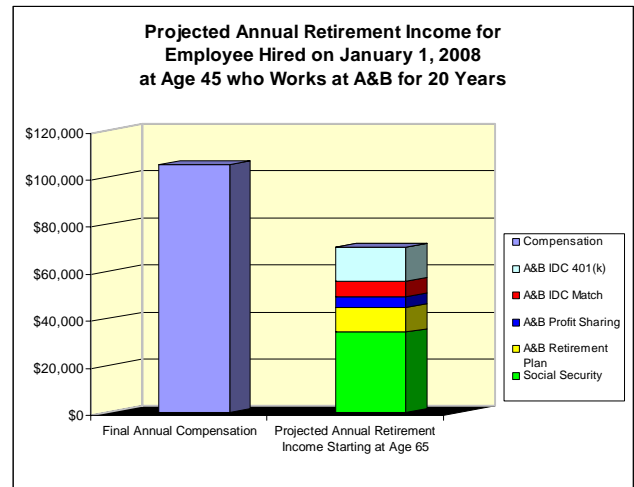
As you can see, there are a number of variables at work – variables that can't readily be predicted. However, we can provide you with a brief illustration by looking at a "sample" A&B employee, Terry.

Here are some facts you should know. Terry:

- Joins A&B on January 1, 2008, at the age of 45 and works for A&B for 20 years.
- Begins contributing to the IDC Plan as soon as possible, contributing 6% to the Plan; thus, Terry receives an additional 3% contribution from A&B, since after one year of service, A&B makes a dollar-for-dollar matching contribution, up to 3% of pay.
- After one year of service, receives PSR contributions from A&B, which average 2% of compensation.
- Starts at a salary level of \$50,000 and receives annual salary increases of 4% so that in 20 years Terry's annual salary will reach \$105,342.

The chart in the right column shows Terry's projected annual retirement income starting at age 65 from the Retirement, IDC, and PSR Plans, plus Social Security.

As the chart shows, the retirement savings partnership between Terry and A&B provides a total annual retirement benefits of \$70,361 or 67% of final compensation.* That's quite a foundation – and doesn't take into account other savings Terry may have, such as 401(k) balances from prior employers or private savings and investments.



* These amounts make certain assumptions with regard to Terry's prior employment with other employers before joining A&B and are based on a Retirement Plan Interest Credit rate of 5% per year and a rate of return on Terry's IDC and PSR accounts of 6% per year. Terry's IDC and PSR account balances at retirement were converted to equivalent lifetime income. Terry's estimated benefits are for illustrative purposes only, and your actual benefits will depend on the particulars of your own situation.

This brochure provides a general overview of the benefits offered to employees of Alexander & Baldwin, Inc. through the A&B Retirement Plan for Salaried Employees as it applies to employees hired on or after January 1, 2008. It is provided for your convenience and is not intended to be detailed or comprehensive. Additional details about these benefits, including summary plan descriptions (SPDs), will be provided to plan participants. Should you note any differences between the information in this document and the official plan documents, the official plan documents will govern.

Alexander & Baldwin, Inc. reserves the right to amend or terminate its benefits plans at any time and for any reasons, including the right to make future changes to the Retirement Plan described here. The description of these benefits is not a guarantee of future employment or benefits.