



# Alexander & Baldwin, Inc. SAVINGS SOLUTIONS

Planning for retirement just got easier. We are pleased to announce that, starting in April, A&B (“Company”) is making important and exciting changes to the Individual Deferred Compensation and Profit Sharing plans that will help you save for retirement.

**Individual Deferred Compensation (IDC) Plan:** As we communicated last year, A&B completed a benefit survey that showed us where our benefits compare to our peers. We’ve used those results to shape our health care program, and have recently reviewed our retirement program. Starting in April, A&B will introduce a **company match** for all IDC plan participants who have completed one year of eligibility service. The amount of the match will be **a dollar for every dollar you defer**, up to a maximum of 3% of your eligible earnings. This additional benefit does not change the total amount you may defer but is a new company contribution to your retirement savings, triggered by your decision to defer salary. If you already participate or if you decide now to defer some salary, A&B will retroactively match contributions dating back to January 1, 2004 (see Q&A 3). This change to our IDC Plan is an incentive to currently non-participating employees to consider saving via the IDC Plan.

**Profit Sharing Plan:** To more closely tie the Company’s profit sharing contribution with Company performance goals, the profit sharing contribution for 2004 and thereafter will be based on the Company’s performance as it relates to the current year’s operating plan. The profit sharing contribution will be based on specific performance goals the Company achieves, and may not exceed a maximum of 3% of an individual’s eligible earnings.

Here is a quick overview of the plans that make up A&B’s retirement program:

A&B Retirement Program Overview	
<b>A&amp;B Retirement Plan</b>	<ul style="list-style-type: none"><li>▪ This is a traditional “pension” plan</li><li>▪ You do not make any contributions and enrollment is automatic after you have completed one year of service</li><li>▪ The retirement benefit you may be eligible to receive at retirement is paid for entirely by A&amp;B</li><li>▪ Your length of service and earnings determine your benefit amount</li></ul>
<b>Individual Deferred Compensation (IDC) Plan</b>	<ul style="list-style-type: none"><li>▪ This is a 401(k) plan</li><li>▪ You make pre-tax contributions each pay period; you must enroll to participate</li><li>▪ A&amp;B will match your contributions dollar for dollar up to a maximum of 3% of your compensation</li><li>▪ You decide how to invest your contributions using 35 fund options; the company match will be invested in the same investment options as you have elected for your contributions</li></ul>
<b>Profit Sharing Retirement (PSR) Plan</b>	<ul style="list-style-type: none"><li>▪ This plan allows A&amp;B to share part of its success with employees, based on the Company’s performance and profitability; enrollment is automatic after you have completed one year of eligible service</li><li>▪ Your benefit will be your base salary multiplied by a percentage (0% - 3%) as determined by the performance of the Company</li><li>▪ You can invest your profit sharing contributions in the IDC investment fund options <i>and</i> in A&amp;B common stock</li></ul>

*Note that the above information is a brief summary and additional provisions apply. For details about each plan, please refer to your online A&B Benefits Handbook, available at [www.flexab.com](http://www.flexab.com).*

## Q&As

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1. **How do I complete a year of eligibility service for the company match?** You complete a year of eligibility service when you work at least 1000 hours during your first 12 consecutive months of employment, or when you work at least 1000 hours in any calendar year starting with the year following your hire date.
2. **How often will I receive the company match?** The first company match will be deposited into your IDC account with the first full pay period in April, and then each pay period thereafter.
3. **How will I receive the match for January 2004 through March 2004?** At the end of this year, we will adjust each eligible participant's company match for the retroactive contribution. The match will be calculated and allocated to your account during January 2005.
4. **If I terminate employment with A&B between April and December will I still receive my retroactive adjustment?** Yes, unlike the Profit Sharing Plan, you will receive the match.
5. **When do I own the company match?** You have full ownership rights (i.e., you are 100% vested) immediately.
6. **Is the company match available for hardship withdrawals and loans?** No. Similar to profit sharing contributions, the company match is not available for withdrawals and loans.
7. **Are there any tools available to help me project what my retirement income might be?** Yes, there are many tools available as described below. We encourage you to use them as often as needed to help you maintain a sound retirement strategy as your needs and situation change.

### Need help planning for retirement?

Retirement planning takes time and thought. That's why we chose Fidelity to administer the IDC plan. With helpful tools such as planning calculators, investment and portfolio planners, and informational resources, you'll be able to explore various retirement scenarios easily and at your convenience. These tools are available at [www.netbenefits.401k.com](http://www.netbenefits.401k.com) or [www.fidelity.com](http://www.fidelity.com). The site is customized for A&B employees. For security purposes you need to log in for access to your personal IDC plan information. Once you've logged in, you will also have access to these features:

- **Calculators to explore different contribution level** scenarios (this would be helpful to see the long term effect of the new company match)
- **Other types of calculators** that target estate taxes, financial aid, home financing, and mortgage and refinancing
- **Customized Planning Center** information tailored to your needs
- **Listen and learn presentations** about the most common types of IRAs
- **Withdrawal evaluator** to assess the effects of a withdrawal on your taxes and portfolio
- **College planner** to estimate the costs of your child's college education and to develop a savings and investment plan
- **Topical articles** on a variety of subjects, such as how to generate income over your lifetime and preparing for the unexpected
- **Interactive workshops** to help you make the most of your retirement savings plan

**SavingsSolutions** is an employee publication of Alexander & Baldwin, Inc., produced by the A&B Benefits Department in conjunction with the Human Resources Departments of various A&B subsidiaries. It contains brief highlights only. A&B reserves the right to amend or terminate all or any part of its benefits program at any time. In case of any conflict between the information in this newsletter and the official plan documents, the official plan documents will prevail.