

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **June 8, 2012**

**ALEXANDER & BALDWIN HOLDINGS, INC.**

(Exact Name of Registrant as Specified in its Charter)

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**HAWAII**  
(State or Other Jurisdiction of  
Incorporation)

**000-00565**  
(Commission File Number)

**99-0032630**  
(I.R.S. Employer  
Identification No.)

**822 Bishop Street, P.O. Box 3440**  
**Honolulu, Hawaii**  
(Address of Principal Executive  
Offices)

**96801**  
(Zip Code)

Registrant's telephone number including area code: **(808) 525-6611**

No change since last report

(Former Name or Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 1.01 Entry into a Material Definitive Agreement**

On June 8, 2012, Alexander & Baldwin Holdings, Inc., a Hawaii corporation ("Holdings"), announced that its Board of Directors (the "Board") had formally approved the separation of its transportation and land businesses into two publicly traded companies (the "Separation"). Holdings will effect the Separation through a pro rata distribution (the "Distribution") of one share of common stock of its wholly owned subsidiary, A & B II, Inc., a Hawaii corporation ("New A&B"), for each share of Holdings common stock held of record by shareholders of Holdings as of 5:00 p.m. Eastern Daylight Time on June 18, 2012, the record date for the Distribution. The Distribution will be effective at 4:00 p.m. Eastern Daylight Time on June 29, 2012.

Following the Distribution, the transportation business (ocean transportation and logistics) will be owned and operated by Holdings (to be renamed Matson, Inc. ("Matson")) and the land business (real estate and agriculture) will be owned and operated by New A&B. New A&B will be an independent, publicly traded company, to be renamed Alexander & Baldwin, Inc., and Holdings will not retain any ownership interest in New A&B.

In connection with the Separation, on June 8, 2012, Holdings and New A&B entered into a Separation and Distribution Agreement (the "Separation Agreement"), a Tax Sharing Agreement, an Employee Matters Agreement and a Transition Services Agreement, each of which is further described below.

### *Separation Agreement*

The Separation Agreement sets forth the agreements between Holdings and New A&B regarding the principal transactions necessary to effect the Distribution. The Separation Agreement also sets forth certain other agreements that will govern Holdings' relationship with New A&B after the Distribution. The Separation Agreement is filed as Exhibit 2.1 to this Current Report and is incorporated herein by reference.

### *Transition Services Agreement*

Under the Transition Services Agreement, Holdings and New A&B agreed to provide certain services to each other for specified periods of time following the Distribution. Services covered include tax, risk management, internal audit, human resources, accounting, corporate secretary and corporate governance services. The Transition Services Agreement is filed as Exhibit 10.1 to this Current Report and is incorporated herein by reference.

### *Employee Matters Agreement*

The Employee Matters Agreement governs Holdings' and New A&B's respective compensation and employee benefits obligations with respect to current and former employees. It further allocates liabilities and responsibilities relating to employee compensation and benefits plans and programs and other related matters in connection with the Separation, including, without limitation, the treatment of outstanding Holdings equity awards, certain outstanding annual and long-term incentive awards, deferred compensation plans and certain retirement and welfare benefits. The Employee Matters Agreement is filed as Exhibit 10.2 to this Current Report and is incorporated herein by reference.

### *Tax Sharing Agreement*

The Tax Sharing Agreement governs Holdings' and New A&B's respective rights, responsibilities, and obligations after the Distribution with respect to taxes, including ordinary course of business taxes and taxes, if any, incurred as a result of any failure of the Distribution to qualify as a tax-free distribution for U.S. federal income tax purposes within the meaning of Sections 355 and 368(a)(1)(D)

of the Internal Revenue Code of 1986, as amended. The Tax Sharing Agreement is filed as Exhibit 10.3 to this Current Report and is incorporated herein by reference.

#### **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

In connection with the Separation, on June 8, 2012, in each case effective as of June 26, 2012, W. Allen Doane, Charles King, Stanley Kuriyama and Douglas Pasquale resigned from the Board. Also, on June 8, 2012, in connection with the Separation and each person becoming an executive officer of New A&B, in each case effective as of June 26, 2012, Stanley Kuriyama resigned as President and Chief Executive Officer of Holdings, Christopher Benjamin resigned as an executive officer of Holdings, Nelson Chun resigned as Senior Vice President and Chief Legal Officer of Holdings and Paul Ito resigned as Vice President, Controller and Assistant Treasurer of Holdings.

On June 8, 2012, in each case effective as of June 26, 2012, the Board appointed Matthew J. Cox as President, Chief Executive Officer and as a director of Holdings and John E. Dennen as Vice President and Controller (principal accounting officer) of Holdings.

Mr. Cox, 51, joined Holdings' wholly owned subsidiary Matson Navigation Company, Inc. ("Matson Navigation") in June 2001 as senior vice president and chief financial officer, and was appointed president of Matson Navigation in October 2008. The brother of Mr. Cox is an officer in a company from which Matson Navigation leases transportation equipment. The aggregate amount paid under the leases in 2011 was \$2,027,383. The remaining aggregate rental obligations expire October 2012 and total \$113,535.

Mr. Dennen, 62, joined Matson Navigation in 2002 as Controller, and was appointed Vice President of Matson Navigation in July 2005.

#### **Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

On June 4, 2012, the sole shareholder of Holdings, Alexander & Baldwin, Inc., amended Section 3.2.1 of the Amended and Restated Bylaws of Holdings to provide for a maximum number of directors of twelve. As amended, Section 3.2.1 reads as follows: "The Board of Directors shall consist of not less than five (5) nor more than twelve (12) individuals, the exact number to be determined from time to time by the Board of Directors. Directors shall hold office until the next annual shareholders' meeting following their election and until their respective successors are elected and qualified." The Amended and Restated Bylaws of Holdings (as amended through June 4, 2012) are filed as Exhibit 3.1 to this Current Report and are incorporated herein by reference.

#### **Item 8.01 Other Events**

On June 8, 2012, Holdings issued a press release relating to the Separation. A copy of the press release is attached hereto as Exhibits 99.1 and is incorporated herein by reference.

In connection with the Separation, on June 8, 2012, in each case effective as of June 26, 2012, the board of directors of New A&B appointed W. Allen Doane, Walter Dods, Stanley Kuriyama, Charles King, Douglas Pasquale and Jeffrey Watanabe, each of whom is currently a director of Holdings, as directors of New A&B. Also, in connection with the Separation, on June 8, 2012, in each case effective as of June 26, 2012, the board of directors of New A&B appointed Robert S. Harrison, Michele K. Saito and Eric K. Yeaman as directors.

**Robert S. Harrison** (51) — Mr. Harrison was appointed president and chief executive officer of First Hawaiian Bank, the state's largest bank, in December 2011, and has 23 years of experience in the banking industry. Prior to assuming his current role, Harrison worked in several branch and business

banking positions at First Hawaiian Bank since 1996, most recently serving as its president and chief operating officer.

**Michele K. Saito** (52) — Ms. Saito currently serves as the president of Farmers Insurance Hawaii, overseeing 300 employees statewide. She is responsible for the day-to-day operations of the Farmers Insurance Hawaii Family of Companies, which includes Farmers Insurance Hawaii, Hawaii Insurance Consultants, American Pacific Insurance Company, Human Resources Solutions and 50th State Risk Management Services.

**Eric K. Yeaman** (44) — Mr. Yeaman has served as the president and chief executive officer of Hawaiian Telcom, the state's leading communications provider, since June 2008. Prior to joining Hawaiian Telcom, Yeaman was the senior executive vice president and chief operating officer of Hawaiian Electric Company, Inc. (HECO), and financial vice president and chief financial officer of Hawaiian Electric Industries, HECO's parent company. From 2000 to 2003, he was the chief operating and financial officer for Kamehameha Schools.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

<u>Exhibit No.</u>	<u>Exhibit</u>
2.1	Separation and Distribution Agreement, dated as of June 8, 2012, by and between Alexander & Baldwin Holdings, Inc. and A & B II, Inc.
3.1	Amended and Restated Bylaws of Alexander & Baldwin Holdings, Inc. (as amended through June 4, 2012)
10.1	Transition Services Agreement, dated as of June 8, 2012, by and between Alexander & Baldwin Holdings, Inc. and A & B II, Inc.
10.2	Employee Matters Agreement, dated as of June 8, 2012, by and between Alexander & Baldwin Holdings, Inc. and A & B II, Inc.
10.3	Tax Sharing Agreement, dated as of June 8, 2012, by and between Alexander & Baldwin Holdings, Inc. and A & B II, Inc.
99.1	Press Release of Alexander & Baldwin Holdings, Inc. dated June 8, 2012



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## SEPARATION AND DISTRIBUTION AGREEMENT

by and between

ALEXANDER &amp; BALDWIN HOLDINGS, INC.

and

A &amp; B II, INC.

dated as of

June 8, 2012

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## SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT (this “Agreement”) is entered into as of June 8, 2012, by and between Alexander & Baldwin Holdings, Inc., a Hawaii corporation (“Holdings”), and A & B II, Inc., a Hawaii corporation and a direct, wholly owned subsidiary of Holdings (“New A&B”). Holdings and New A&B are sometimes referred to herein individually as a “Party,” and collectively as the “Parties.”

### RECITALS

WHEREAS, Holdings, acting through its direct and indirect Subsidiaries, currently owns and conducts the A&B Businesses and the Matson Businesses;

WHEREAS, the Board of Directors of Holdings has determined that it is advisable and in the best interests of Holdings and its shareholders to separate Holdings into two independent publicly traded companies: (a) Holdings which, following consummation of the transactions contemplated in this Agreement, will own and conduct the Matson Businesses and (b) New A&B which, following consummation of the transactions contemplated by this Agreement, will own and conduct the A&B Businesses;

WHEREAS, as a result of the holding company reorganization consummated on June 6, 2012 (the “Holding Company Merger”) pursuant to the Agreement and Plan of Merger, dated February 13, 2012, by and between Alexander & Baldwin, Inc., a Hawaii corporation (“A&B Predecessor”), Holdings and A&B Merger Corporation, A&B Predecessor became a direct wholly owned Subsidiary of Holdings;

WHEREAS, following the consummation of the Holding Company Merger, on June 7, 2012, (a) A&B Predecessor was converted into a Hawaii limited liability company, Alexander & Baldwin, LLC (“A&B”), (b) McBryde Sugar Company, Inc., a Hawaii corporation, was converted into a Hawaii limited liability company, McBryde Sugar Company, LLC (“McBryde”), (c) McBryde distributed 5.35% of the outstanding equity interests of ABHI-Crockett, Inc., a Hawaii corporation (“ABHI-Crockett”), to A&B, as a result of which ABHI-Crockett became a direct, wholly owned Subsidiary of A&B, (d) A&B distributed (i) all of the outstanding equity interests of Matson Navigation Company, Inc., a Hawaii corporation (“Matson”) to Holdings, as a result of which Matson became a direct, wholly owned Subsidiary of Holdings and (ii) all of the outstanding equity interests of ABHI-Crockett to Holdings, as a result of which ABHI-Crockett became a direct, wholly owned Subsidiary of Holdings (the “Contribution”) and (e) Holdings contributed to New A&B all of the outstanding equity interests of A&B, as a result of which A&B became a direct, wholly owned Subsidiary of New A&B;

WHEREAS, pursuant to the terms of this Agreement, the Parties intend to effect: (a) the Separation, whereby the Matson Businesses and the A&B Businesses will be separated, and (b) the Distribution, whereby Holdings will distribute to the holders of outstanding shares of common stock, without par value, of Holdings (“Holdings Common Stock”), on a pro rata basis, all of the outstanding shares of common stock, without par value, of New A&B (“New A&B Common Stock”), owned by Holdings as of the Distribution Date (which shall represent 100% of the issued and outstanding shares of New A&B Common Stock);

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WHEREAS, A&B has received a private letter ruling from the IRS (the “IRS Ruling”) to the effect that, among other things, for U.S. federal income tax purposes, (a) certain transactions (including the Contribution) to be effected in connection with the Separation qualify as a reorganization under Sections 355 and/or 368 or as a complete liquidation under Section 332(a) of the U.S. Internal Revenue Code of 1986 (the “Code”) and (b) the Distribution qualifies as a transaction under Section 355 of the Code (collectively, the “Intended Tax-Free Treatment”);

WHEREAS, prior to the consummation of the Holding Company Merger, the Board of Directors and sole shareholder of Holdings approved an amendment to the Amended and Restated Articles of Incorporation of Holdings, to be effective simultaneously with the consummation of the transactions contemplated by this Agreement, changing Holdings’ name to “Matson, Inc.”; and

WHEREAS, pursuant to the terms of this Agreement, Holdings shall approve an amendment to the Articles of Incorporation of New A&B, to be effective prior to the consummation of the transactions contemplated by this Agreement, changing New A&B’s name to “Alexander & Baldwin, Inc.”

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth in this Section 1.1:

“A&B” has the meaning set forth in the recitals to this Agreement.

“A&B Assets” means all Assets owned by Holdings or any of its Subsidiaries that (a) are used primarily in, or that primarily relate to, any of the A&B Businesses or (b) were purchased and paid for by the A&B Businesses.

“A&B Businesses” means: (a) the real estate development and ownership business and the agricultural production and processing business conducted by the A&B Group, (b) the business conducted by ABHI-Crockett prior to the Distribution Date, (c) Holdings corporate functions performed in Honolulu, Hawaii and (d) any other business directly conducted by any member of the A&B Group as of or prior to the date of this Agreement.

“A&B Guarantee” means any Guarantee issued, entered into or otherwise put in place by any member of the A&B Group to support or facilitate, or otherwise in respect of, (a) the obligations of any member of the Matson Group or any of the Matson Businesses or (b) Contracts, commitments, Liabilities or permits of any member of the Matson Group or any of the Matson Businesses.

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“A&B Group” means New A&B, A&B and the A&B Subsidiaries.

“A&B Indemnitees” means each member of the A&B Group and their Affiliates and each of their respective current or former stockholders, directors, officers, agents and employees (in each case, in such Person’s respective capacity as such) and their respective heirs, executors, administrators, successors and assigns.

“A&B Liabilities” shall mean, except as otherwise expressly provided in this Agreement or one or more Ancillary Agreements, all Liabilities of Holdings or any of its Subsidiaries arising out of, or primarily related to, the A&B Assets or the operation of any of the A&B Businesses.

“A&B Note Purchase Agreement” means that certain Note Purchase and Private Shelf Agreement, dated April 19, 2006, among A&B Predecessor (now known as A&B) and the noteholders party thereto, as such agreement may be amended, restated, modified or supplemented from time to time.

“A&B Predecessor” has the meaning set forth in the recitals to this Agreement.

“A&B Specific Policies” has the meaning set forth in Section 7.1(a).

“A&B Subsidiaries” means (a) each of the entities listed under the headings “Subsidiaries” and “Other Related Entities” on Exhibit A hereto and (b) any other entity (other than any Matson Subsidiary) that was owned, in whole or in part, by any such entity prior to the Distribution Time and that was primarily related to the operation of the real estate development and ownership business or the agricultural production and processing business conducted by the A&B Group.

“ABHI-Crockett” has the meaning set forth in the recitals to this Agreement.

“Action” means any demand, claim, action, suit, countersuit, arbitration, litigation, inquiry, proceeding or investigation by or before any Governmental Authority or any arbitration or mediation tribunal or authority.

“Affiliate” means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person. For this purpose “control” of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of voting securities, by contract or otherwise.

“Agreement” has the meaning set forth in the preamble to this Agreement and includes all schedules and exhibits attached hereto or delivered pursuant hereto.

“Agreement Dispute” has the meaning set forth in Section 10.2(a).

“Ancillary Agreements” has the meaning set forth in Section 3.5.

“Appointed Representative” has the meaning set forth in Section 10.1.

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“Appropriate Member of the A&B Group” has the meaning set forth in Section 9.2.

“Appropriate Member of the Matson Group” has the meaning set forth in Section 9.3.

“Asset” means all rights, properties or assets, whether real, personal or mixed, tangible or intangible, of any kind, nature and description, whether accrued, contingent or otherwise, and wheresoever situated and whether or not carried or reflected, or required to be carried or reflected, on the books of any Person.

“Business Day” means a day other than a Saturday, a Sunday or a day on which banking institutions located in the State of Hawaii are authorized or obligated by applicable Law or executive order to close.

“Claims Made Policies” has the meaning set forth in Section 7.1(b)(iii).

“Code” has the meaning set forth in the recitals to this Agreement.

“Combined Policies” has the meaning set forth in Section 7.1(b)(iv).

“Confidential Information” means any and all information:

(a) that is a trade secret under applicable trade secret or other Law or is required to be maintained in confidence by any Law or under any Contract;

(b) concerning product specifications, data, know-how, formulae, compositions, processes, methodologies, designs, sketches, photographs, graphs, drawings, samples, models, inventions and ideas, improvements, past, current and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer hardware, computer software (including all versions, source and object codes and all related files and data), software and database technologies, systems, structures and architectures, and other similar technical or business information;

(c) concerning any business and its affairs, which includes earnings reports and forecasts, macro-economic reports and forecasts, business and strategic plans, general market evaluations and surveys, litigation presentations and risk assessments, financing and credit-related information, financial projections, tax returns and accountants' materials, historical, capital spending budgets and plans, business plans, strategic plans, marketing and advertising plans, client and customer lists and files, Contracts, the names and backgrounds of key employees and personnel training techniques and materials, however documented, and other similar financial, business or employee information;

(d) constituting communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), communications and materials otherwise related to or made or prepared in connection with or in preparation for any legal proceeding; or

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(e) constituting notes, analyses, compilations, studies, summaries and other material that contain or are based, in whole or in part, upon any information included in the foregoing clauses (a) — (d).

“Consent” means any consent, waiver or approval from, or notification requirement, to any Person other than a member of either Group.

“Contract” means any written, oral, implied or other contract, agreement, covenant, lease, license, guaranty, indemnity, representation, warranty, assignment, sales order, purchase order, power of attorney, instrument or other commitment, assurance, undertaking or arrangement that is binding on any Person or entity or any part of its property under applicable Law.

“Contribution” has the meaning set forth in the recitals to this Agreement.

“D&O Policies” has the meaning set forth in Section 7.1(b)(i).

“Distribution” means the transactions contemplated by Section 4.2.

“Distribution Agent” means Computershare Shareowner Services LLC.

“Distribution Date” means the date on which the Distribution occurs, such date to be determined by, or under the authority of, the Board of Directors of Holdings, in its sole and absolute discretion.

“Distribution Time” means the time at which the Distribution is effective on the Distribution Date.

“DPR” has the meaning set forth in Section 10.2(c).

“DPR Rules” has the meaning set forth in Section 10.3(a).

“Employee Matters Agreement” means that certain Employee Matters Agreement, dated the date hereof, by and between Holdings and New A&B.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Existing A&B Credit Agreement” means that certain credit agreement, dated August 5, 2011, by and among Alexander & Baldwin, Inc., FHB and the other lenders thereunder, providing for a working capital revolving credit facility with available credit in an aggregate principal amount of \$230 million.

“Existing Matson Credit Agreement” means that certain credit agreement, dated August 5, 2011, by and among Matson, FHB and the other lenders thereunder, providing for a working capital revolving credit facility with available credit in an aggregate principal amount of \$125 million.

“FHB” means First Hawaiian Bank.

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“Financings” collectively means the actions described in Section 3.4.

“Governmental Approval” means any notice, report or other filing to be given to or made with, or any release, consent, substitution, approval, amendment, registration, permit or authorization from any Governmental Authority.

“Governmental Authority” shall mean any U.S. federal, state, local or non-U.S. court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

“Group” means either the Matson Group or the A&B Group, as the context requires.

“Guarantee” means any guarantee (including guarantees of performance or payment under Contracts, commitments, Liabilities and permits), letter of credit or other credit or credit support arrangement or similar assurance, including surety bonds, bid bonds, advance payment bonds, performance bonds, payment bonds, retention and/or warranty bonds or other bonds or similar instruments.

“Holding Company Merger” has the meaning set forth in the recitals to this Agreement.

“Holdings” has the meaning set forth in the preamble to this Agreement.

“Holdings Common Stock” has the meaning set forth in the recitals to this Agreement.

“Indebtedness” of any specified Person means (a) all obligations of such specified Person for borrowed money or arising out of any extension of credit to or for the account of such specified Person (including reimbursement or payment obligations with respect to surety bonds, letters of credit, bankers’ acceptances and similar instruments), (b) all obligations of such specified Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such specified Person upon which interest charges are customarily paid, (d) all obligations of such specified Person under conditional sale or other title retention agreements relating to Assets purchased by such specified Person, (e) all obligations of such specified Person issued or assumed as the deferred purchase price of property or services, (f) all liabilities secured by (or for which any Person to which any such liability is owed has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge or other encumbrance on property owned or acquired by such specified Person (or upon any revenues, income or profits of such specified Person therefrom), whether or not the obligations secured thereby have been assumed by the specified Person or otherwise become liabilities of the specified Person, (g) all capital lease obligations of such specified Person, (h) all securities or other similar instruments convertible or exchangeable into any of the foregoing, and (i) any liability of others of a type described in any of the preceding clauses (a) through (h) in respect of which the specified Person has incurred, assumed or acquired a liability by means of a Guarantee.

“Indemnifiable Loss” has the meaning set forth in Section 9.5.

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“Indemnifying Party” has the meaning set forth in Section 9.4(a).

“Indemnitee” means any Matson Indemnitee or any A&B Indemnitee.

“Indemnity Payment” has the meaning set forth in Section 9.5.

“Information Statement” means the information statement, attached as an exhibit to the Registration Statement, and any related documentation to be provided to holders of Holdings Common Stock in connection with the Distribution, including any amendments or supplements thereto.

“Insurance Policy” means any insurance policies and insurance Contracts, including without limitation general liability, property and casualty, workers’ compensation, automobile, marine, directors & officers liability, errors and omissions, employee dishonesty and fiduciary liability policies, whether, in each case, in the nature of primary, excess, umbrella or self-insurance overage, together with all rights, benefits and privileges thereunder.

“Insurance Proceeds” means those monies (in each case, net of any out-of-pocket costs or expenses incurred in the collection thereof):

(a) received by an insured Person from any insurer, insurance underwriter, mutual protection and indemnity club or other risk collective, excluding any proceeds received directly or indirectly (such as through reinsurance arrangements) from any captive insurance Subsidiary of the insured Person; or

(b) paid on behalf of an insured Person by any insurer, insurance underwriter, mutual protection and indemnity club or other risk collective, excluding any such payment made directly or indirectly (such as through reinsurance arrangements) from any captive insurance Subsidiary of the insured Person, on behalf of the insured.

“Intended Tax-Free Treatment” has the meaning set forth in the recitals to this Agreement.

“Intercompany Account” means any receivable, payable or loan between any member of the Matson Group, on the one hand, and any member of the A&B Group, on the other hand, that exists prior to the Distribution Time and is reflected in the records of the relevant members of the Matson Group and the A&B Group, except for any such receivable, payable or loan that arises pursuant to this Agreement or any Ancillary Agreement.

“Intercompany Agreement” means any Contract, whether or not in writing, between or among any member of the Matson Group, on the one hand, and any member of the A&B Group, on the other hand, entered into prior to the Distribution Date, but excluding any Contract to which a Person other than any member of the Matson Group or the A&B Group is also a party.

“IRS” means the United States Department of Treasury Internal Revenue Service.

“IRS Ruling” has the meaning set forth in the recitals to this Agreement.

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“Law” means any law, statute, ordinance, code, rule, regulation, order, writ, proclamation, judgment, injunction or decree of any Governmental Authority.

“Liabilities” means any and all Indebtedness, liabilities and obligations, whether accrued, fixed or contingent, mature or inchoate, known or unknown, reflected on a balance sheet or otherwise, including those arising under any Law, Action or any judgment of any Governmental Authority or any award of any arbitrator of any kind, and those arising under any Contract.

“Losses” means any and all damages, losses, deficiencies, Liabilities, obligations, penalties, judgments, settlements, claims, payments, interest costs, Taxes, fines and expenses (including the costs and expenses of any and all Actions and demands, assessments, judgments, settlements and compromises relating thereto and attorneys’, accountants’, consultants’ and other professionals’ fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder).

“Marks” has the meaning set forth in Section 7.2(a).

“Matson” has the meaning set forth in the recitals to this Agreement.

“Matson Assets” means any Assets owned by Holdings or any of its Subsidiaries, other than any A&B Assets.

“Matson Businesses” means (a) the ocean transportation operations, related shoreside operations in Hawaii and intermodal, truck brokerage and logistics services conducted by the Matson Group and (b) any other business directly conducted by any member of the Matson Group as of or prior to the date of this Agreement (other than the business conducted by ABHI-Crockett prior to the Distribution Date).

“Matson Guarantee” means any Guarantee issued, entered into or otherwise put in place by any member of the Matson Group to support or facilitate, or otherwise in respect of, (a) the obligations of any member of the A&B Group or any of the A&B Businesses or (b) Contracts, commitments, Liabilities or permits of any member of the A&B Group or any of the A&B Businesses.

“Matson Group” means Holdings, Matson and the Matson Subsidiaries.

“Matson Indemnitees” means each member of the Matson Group and their Affiliates and each of their respective current or former stockholders, directors, officers, agents and employees (in each case, in such Person’s respective capacity as such) and their respective heirs, executors, administrators, successors and assigns.

“Matson Liabilities” means any Liabilities of Holdings or any of its Subsidiaries, other than any A&B Liabilities.

“Matson Note Purchase Agreement” means that certain note purchase agreement, dated June 4, 2012, by and among Holdings and The Prudential Insurance Company of America, Pruco Life Insurance Company, The Prudential Life Insurance Company, Ltd., Gibraltar Life Insurance Co., Ltd., Prudential Annuities Life Assurance Corporation, Prudential Arizona Reinsurance Universal Company and Prudential Investment Management, Inc., that provides for the issuance of senior unsecured notes in an aggregate principal amount up to \$170 million and the modification of the existing Matson Series B Notes to effect a collateral release upon consummation of the Separation, assign Matson’s obligations thereunder to the Company, and increase the coupon for the remaining life.

“Matson Subsidiaries” means (a) ABHI-Crockett, (b) each of the entities listed under the headings “Subsidiaries” and “Other Related Entities” on Exhibit B hereto and (c) any other entity that was owned, in whole or in part, by any such entity prior to the Distribution Time and that was primarily related to the ocean transportation operations, related shoreside operations in Hawaii and intermodal, truck brokerage or logistics services conducted by the Matson Group.

“McBryde” has the meaning set forth in the recitals to this Agreement.

“Mediation Period” has the meaning set forth in Section 10.2(c).

“New A&B” has the meaning set forth in the preamble to this Agreement.

“New A&B Common Stock” has the meaning set forth in the recitals to this Agreement.

“NYSE” means the New York Stock Exchange, Inc.

“NYSE Listing Applications” has the meaning set forth in Section 3.2(a).

“Occurrence Based Policies” has the meaning set forth in Section 7.1(b)(ii).

“Party” or “Parties” has the meaning set forth in the preamble to this Agreement.

“Permitted Lien” means (a) Security Interests consisting of zoning or planning restrictions, easements, servitudes, licenses, permits and other restrictions or limitations on the use of real property or minor irregularities in title thereto which do not materially impair the use or value of the respective property, (b) Security Interests for current Taxes, assessments or similar governmental charges or levies not yet due or which are being contested in good faith and (c) mechanic’s, workmen’s, materialmen’s, carrier’s, repairer’s, warehousemen’s and other similar Security Interests arising or incurred in the ordinary course of business for amounts not overdue.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, a union, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

“Pre-Distribution Claim” has the meaning set forth in Section 7.1(d)(i).

“Property/Boiler & Machinery Policies” has the meaning set forth in Section 7.1(b)(iv).

“Record Date” means the close of business on the date, to be determined by the Board of Directors of Holdings, as the record date for determining holders of Holdings Common Stock entitled to receive shares of New A&B Common Stock in the Distribution.

“Record Holders” has the meaning set forth in Section 4.1.

“Registration Statement” means the registration statement on Form 10 of New A&B with respect to the registration under the Exchange Act of the New A&B Common Stock to be distributed in the Distribution, including any amendments or supplements thereto.

“Replacement A&B Credit Agreement” means that certain credit agreement, dated June 4, 2012, by and among A&B Predecessor (now known as A&B), each lender from time to time party thereto, Bank of America, N.A., as agent, swing line lender and L/C issuer, and FHB, as L/C issuer, providing for a working capital revolving credit facility with available credit in an aggregate principal amount of \$260 million.

“Replacement Matson Credit Agreement” means that certain credit agreement, dated June 4, 2012, by and among Holdings and Bank of America, N.A., First Hawaiian Bank, Branch Banking And Trust Company, JPMorgan Chase Bank, N.A., PNC Bank, National Association, U.S. Bank National Association, Merrill Lynch and Pierce, Fenner & Smith Incorporated, providing for a working capital revolving credit facility with available credit in an aggregate principal amount of \$375 million.

“Run-Off Policy” has the meaning set forth in Section 7.1(c)(i).

“SEC” means the United States Securities and Exchange Commission.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, indenture, right to acquire, right of first refusal, deed of trust, licenses to third parties, leases to third parties, security agreements, voting or other restriction, right-of-way, covenant, condition, easement, servitude, zoning matters, permit, restriction, encroachment, restriction on transfer, restrictions or limitations on use of real or personal property or any other encumbrance of any nature whatsoever, imperfections in or failure of title or defect of title.

“Separation” means the transactions contemplated by Article II.

“Subsidiary” means, with respect to any specified Person, any corporation, partnership, limited liability company, joint venture or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such specified Person or by any one or more of its subsidiaries, or by such specified Person and one or more of its subsidiaries.

“Taxes” has the meaning set forth in the Tax Sharing Agreement.

“Tax Sharing Agreement” means that certain Tax Sharing Agreement, dated as of the date hereof, by and between Holdings and New A&B.

“Third-Party Claim” has the meaning set forth in Section 9.4(b).

“Transactions” means the Separation, the Financings, the Distribution and any other transactions contemplated by this Agreement or any Ancillary Agreement.

“Transition Period” has the meaning set forth in Section 7.2(a).

“Transition Services Agreement” means that certain Transition Services Agreement, dated as of the date hereof, by and between Holdings and New A&B.

Section 1.2 Interpretation. In this Agreement and the Ancillary Agreements, unless the context clearly indicates otherwise:

- (a) words used in the singular include the plural and words used in the plural include the singular;
- (b) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- (c) the word “or” shall have the inclusive meaning represented by the phrase “and/or”;
- (d) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including”;
- (e) accounting terms used herein shall have the meanings historically ascribed to them by Holdings and its Subsidiaries, including A&B and Matson, in its and their internal accounting and financial policies and procedures in effect immediately prior to the date of this Agreement;
- (f) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;
- (g) reference to any Law means such Law (including any and all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;
- (h) references to any Person include such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; a reference to such Person’s “Affiliates” shall be deemed to mean such Person’s Affiliates following the Distribution and any reference to a third party shall be deemed to mean a Person who is not a Party or an Affiliate of a Party;

(i) if there is any conflict between the provisions of the main body of this Agreement or an Ancillary Agreement and the Exhibits or Schedules hereto or thereto, the provisions of the main body of this Agreement or the Ancillary Agreement, as applicable, shall control unless explicitly stated otherwise in such Exhibits or Schedule;

(j) if there is any conflict between the provisions of this Agreement and any Ancillary Agreement, the provisions of such Ancillary Agreement shall control (but only with respect to the subject matter thereof) unless explicitly stated otherwise therein; and

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(k) any portion of this Agreement or any Ancillary Agreement obligating a Party to take any action or refrain from taking any action, as the case may be, shall mean that such Party shall also be obligated to cause its relevant Subsidiaries to take such action or refrain from taking such action, as the case may be.

## ARTICLE II

### THE SEPARATION

#### Section 2.1 Transfers of Assets and Assumptions of Liabilities.

(a) Transfer of A&B Assets. Subject to Section 2.1(e)(i), effective immediately prior to the Distribution Time:

(i) Holdings shall transfer, and shall cause any other applicable member of the Matson Group to transfer, to New A&B or another member of the A&B Group, all A&B Assets held by any member of the Matson Group immediately prior to the Distribution Time; and

(ii) New A&B shall accept, and shall cause any other applicable member of the A&B Group to accept, from Holdings, or any other applicable member of the Matson Group, any such A&B Assets and all of Holdings' and any other applicable member of the Matson Group's respective right, title and interest in, to and under such A&B Assets, free and clear of all Security Interests (other than Permitted Liens).

(b) Assumption of A&B Liabilities. Subject to Section 2.1(e)(i), effective immediately prior to the Distribution Time:

(i) Holdings shall transfer, and shall cause any other applicable member of the Matson Group to transfer, to New A&B or another member of the A&B Group, all A&B Liabilities that are Liabilities of any member of the Matson Group immediately prior to the Distribution Time; and

(ii) New A&B shall assume, and shall cause any other applicable member of the A&B Group to assume, such A&B Liabilities.

(c) Transfer of Matson Assets. Subject to Section 2.1(e)(i), effective immediately prior to the Distribution Time:

(i) New A&B shall transfer, and shall cause any other applicable member of the A&B Group to transfer, to Holdings or another member of the Matson Group, all Matson Assets held by any member of the A&B Group immediately prior to the Distribution Time; and

(ii) Holdings shall accept, and shall cause any other applicable member of the Matson Group to accept, from New A&B or any other applicable member of the A&B Group, any such Matson Assets and all of New A&B's and any other applicable member of the A&B Group's respective right, title and interest in, to and under such Matson Assets, free and clear of all Security Interests (other than Permitted Liens).

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(d) Assumption of Matson Liabilities. Subject to Section 2.1(e)(i), effective immediately prior to the Distribution Time:

(i) New A&B shall transfer, and shall cause any other applicable member of the A&B Group to transfer, to Holdings or another member of the Matson Group, all Matson Liabilities that are Liabilities of any member of the A&B Group immediately prior to the Distribution Time; and

(ii) Holdings shall assume, and shall cause any other applicable member of the Matson Group to assume, such Matson Liabilities.

(e) Deferred Transfers and Assumptions.

(i) Nothing in this Agreement or in any Ancillary Agreement will be deemed to require the transfer of any Assets or the assumption of any Liabilities that by their terms or by operation of Law cannot be transferred or assumed. To the extent that any transfer of Assets or assumption of Liabilities contemplated by this Agreement or any Ancillary Agreement is not consummated prior to the Distribution Time, the Parties will use their reasonable best efforts to effect such transfers or assumptions as promptly following the Distribution Time as practicable and, from and after the Distribution Time until such time as such Asset is transferred or such Liability is assumed (A) the party retaining such Asset will thereafter hold such Asset for the use and benefit of the party entitled thereto (at the expense of the party entitled thereto) and (B) the party intended to assume such Liability will pay or reimburse the party retaining such Liability for all amounts paid or incurred in connection with the retention of such Liability. In addition, the party retaining such Asset or Liability will, insofar as reasonably practicable and to the extent permitted



by applicable Law, treat such Asset or Liability in the ordinary course of business consistent with past practice and take such other actions as may be reasonably requested by the party entitled to such Asset or by the party intended to assume such Liability in order to place such party, insofar as reasonably practicable, in the same position as if such Asset or Liability had been transferred or assumed as contemplated hereby and so that all the benefits and burdens relating to such Asset or Liability, including possession, use, risk of loss, potential for gain, and control over such Asset or Liability, are to inure from and after the Distribution Time to such party entitled to such Asset or intended to assume such Liability. In furtherance of the foregoing, the Parties agree that, as of the Distribution Time, each party will be deemed to have acquired beneficial ownership over all of the Assets, together with all rights and privileges incident thereto, and will be deemed to have assumed all of the Liabilities, and all duties, obligations and responsibilities incident thereto, that such party is entitled to acquire or intended to assume pursuant to the terms of this Agreement or the applicable Ancillary Agreement.

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(ii) If and when the Consents, Governmental Approvals and/or conditions, the absence or non-satisfaction of which caused the deferral of the transfer of any Asset or the deferral of the assumption of any Liability pursuant to Section 2.1(e)(i) are obtained or satisfied, the transfer or assumption of the applicable Asset or Liability will be effected in accordance with and subject to the terms of this Agreement or the applicable Ancillary Agreement.

(iii) The party retaining any Asset or Liability due to the deferral of the transfer of such Asset or the deferral of the assumption of such Liability pursuant to Section 2.1(e)(i) will not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced or agreed to be reimbursed by the party entitled to such Asset or the party intended to assume such Liability. The party retaining such Asset or Liability will use its reasonable best efforts to notify the party entitled to such Asset or intended to assume such Liability of the need for such expenditure.

(iv) The Parties agree to treat, for all tax purposes, any Asset or Liability that is not transferred or assumed prior to the Distribution Time and which is subject to the provisions of Section 2.1(e)(i), as owned by the party to which such Asset was intended to be transferred or by the party which was intended to assume such Liability, as the case may be, from and after the Distribution Time, and the Parties will not take any position inconsistent therewith unless otherwise required by applicable Law (in which case, the Parties will provide indemnification for any Taxes attributable to the Asset or Liability during the period beginning on the Distribution Date and ending on the date of the actual transfer).

(f) Misallocated Assets and Liabilities.

(i) In the event that, at any time from and after the Distribution Time, either Party discovers that it or another member of its Group is the owner of, receives or otherwise comes to possess or benefit from any Asset (including the receipt of payments made pursuant to Contracts and proceeds from accounts receivable with respect to such Asset) that should have been allocated to a member of the other Group pursuant to this Agreement or any Ancillary Agreement (except in the case of any deliberate acquisition of Assets from a member of the other Group for value subsequent to the Distribution Time), such Party shall promptly transfer, or cause to be transferred, such Asset to such member of the other Group and such member of the other Group shall accept such Asset for no further consideration than that set forth in this Agreement and such Ancillary Agreement. Prior to any such transfer, such Asset shall be held in accordance with Section 2.1(e)(i).

(ii) In the event that, at any time from and after the Distribution Time, either Party discovers that it or another member of its Group is liable for any Liability that should have been allocated to a member of the other Group pursuant to this Agreement or any Ancillary Agreement (except in the case

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of any deliberate assumption of Liabilities from a member of the other Group for value subsequent to the Distribution Time), such Party shall promptly transfer, or cause to be transferred, such Liability to such member of the other Group and such member of the other Group shall assume such Liability for no further consideration than that set forth in this Agreement and such Ancillary Agreement. Prior to any such assumption, such Liabilities shall be held in accordance with Section 2.1(e)(i).

(g) Instruments of Transfer and Assumption. The Parties agree that (i) transfers of Assets required by this Agreement or any Ancillary Agreement shall be effected by delivery by the transferor to the transferee of (A) with respect to those Assets that constitute stock or other equity interests, certificates endorsed in blank or evidenced or accompanied by stock powers or other instruments of transfer endorsed in blank, against receipt, (B) with respect to any real property interest or any improvements thereon, a general warranty deed with general warranty of limited application limiting recourse and remedies to title insurance and warranties by predecessors in title, and (C) with respect to all other Assets, such good and sufficient instruments of contribution, conveyance, assignment and transfer, in form and substance reasonably satisfactory to the Parties, as shall be necessary, in each case, to vest in the designated transferee all of the title and ownership interest of the transferor in and to any such Asset, and (ii) the assumptions of Liabilities required by this Agreement or any Ancillary Agreement shall be effected by delivery by the transferee to the transferor of such good and sufficient instruments of assumption, in form and substance reasonably satisfactory to the Parties, as shall be necessary, in each case, for the assumption by the transferee of such Liabilities.

Section 2.2 Termination of Intercompany Agreements.

(a) Except as set forth in Section 2.2(b), Holdings, on behalf of itself and each of the other members of the Matson Group, and New A&B, on behalf of itself and each of the other members of the A&B Group, hereby terminate, effective as of the Distribution Time, any and all Intercompany Agreements. No such terminated Intercompany Agreement will be of any further force or effect from and after the Distribution Time and all parties shall be released from all Liabilities thereunder other than the Liability to settle any Intercompany Accounts as provided in Section 2.3. Each Party shall take, or cause to be taken, any and all actions as may be reasonably necessary to effect the foregoing.

(b) The provisions of Section 2.2(a) shall not apply to any of the following agreements (which agreements shall continue to be outstanding after the Distribution Date and thereafter shall be deemed to be, for each relevant Party (or the member of such Party's Group), an obligation to a third party and shall no longer be an Intercompany Agreement):

(i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement);

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(ii) any confidentiality or non-disclosure agreements among any members of either Group or employees of any member of either Group; and

(iii) any agreement listed or described on Section 2.2(b) of the Disclosure Schedule, if any.

Section 2.3 Settlement of Intercompany Account. Each Intercompany Account outstanding immediately prior to the Distribution Date (other than those set forth on Section 2.3 of the Disclosure Schedule), will be satisfied and/or settled in full in cash or otherwise cancelled and terminated or extinguished by the relevant members of the Matson Group and the A&B Group prior to the Distribution Time, in each case in the manner agreed to by the Parties. Each Intercompany Account outstanding immediately prior to the Distribution Date set forth on Section 2.3 of the Disclosure Schedule shall continue to be outstanding after the Distribution Date (unless previously satisfied in accordance with its terms) and thereafter shall be deemed to be, for each Party (or the relevant member of such Party's Group), an obligation to a third party and shall no longer be an Intercompany Account.

Section 2.4 Replacement of Guarantees.

(a) The Parties shall cooperate and use their reasonable best efforts to arrange, effective at or prior to the Distribution Time, (i) at New A&B's cost and expense, the replacement of all Matson Guarantees with alternate arrangements that do not require any credit support from any member of the Matson Group, and shall use their reasonable best efforts to obtain from the beneficiaries of such Matson Guarantees written releases indicating that each applicable member of the Matson Group will, effective as of the Distribution Time, have no further Liability with respect to such Matson Guarantees and (ii) at Holdings' cost and expense, the replacement of all A&B Guarantees with alternate arrangements that do not require any credit support from any member of the A&B Group, and shall use their reasonable best efforts to obtain from the beneficiaries of such A&B Guarantees written releases indicating that each applicable member of the A&B Group will, effective as of the Distribution Time, have no further Liability with respect to such A&B Guarantees.

(b) If, following the Distribution Date, the Parties are unable to replace any Matson Guarantee or any A&B Guarantee (i) the Parties shall cooperate and continue to use their reasonable best efforts to replace such Guarantee with alternate arrangements that do not require any credit support from any member of (A) the Matson Group in the case of a Matson Guarantee or (B) the A&B Group in the case of an A&B Guarantee and (ii) the Parties shall cooperate and use their reasonable best efforts to enter into an arrangement whereby (A) in the case of a Matson Guarantee, New A&B shall indemnify, defend and hold harmless each member of the Matson Group against, and reimburse each member of the Matson Group for, any Losses incurred following the Separation with respect to such Matson Guarantee or (B) in the case of an A&B Guarantee, Holdings shall indemnify, defend and hold harmless each member of the A&B Group against, and reimburse each member of the A&B Group for, any Losses incurred following the Separation with respect to such A&B Guarantee.

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### ARTICLE III

#### CERTAIN ACTIONS PRIOR TO THE DISTRIBUTION

Section 3.1 SEC and Other Securities Filings.

(a) Prior to the date of this Agreement, the Parties prepared and filed the Registration Statement with the SEC.

(b) The Parties shall use their respective reasonable best efforts to cause the Registration Statement to become effective as soon as reasonably practicable following the date of this Agreement.

(c) As soon as practicable after the Registration Statement becomes effective, New A&B shall mail the Information Statement to the Record Holders.

(d) The Parties shall cooperate in preparing, filing with the SEC and causing to become effective any other registration statements or amendments or supplements thereto that are necessary or appropriate in order to effect the Transactions, or to reflect the establishment of, or amendments to, any employee benefit plans contemplated hereby or in the Employee Matters Agreement.

(e) The Parties shall take all such action as may be necessary or appropriate under state and foreign securities or "blue sky" laws in connection with the Transactions.

Section 3.2 NYSE Listing Applications.

(a) Prior to the date of this Agreement, the Parties prepared and filed (i) an application for the listing on the NYSE of New A&B Common Stock to be issued to the Record Holders in the Distribution and (ii) a supplemental listing application with the NYSE to facilitate Holdings' name change to "Matson, Inc." (together, the "NYSE Listing Applications").

(b) The Parties shall use their reasonable best efforts to have the NYSE Listing Applications approved, subject to official notice of issuance, as soon as reasonably practicable following the date of this Agreement.

(c) Holdings and New A&B shall give the NYSE notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

Section 3.3 Governmental Approvals and Consents. To the extent that any of the Transactions require any Governmental Approval or Consent which has not been obtained prior to the date of this Agreement, the Parties will use their reasonable best efforts to obtain, or caused to be obtained, such Governmental Approval or Consent prior to the Distribution Time.

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Section 3.4 Financings.

(a) Matson Credit Agreement. Holdings shall use its reasonable best efforts to cause the following to occur prior to the Distribution: (i) termination of the Existing Matson Credit Agreement, (ii) availability of funds under the revolving credit facility under the Replacement Matson Credit Agreement and (iii) contribution by Holdings to New A&B of \$160 million of the proceeds from the funding of the revolving credit facility under the Replacement Matson Credit Agreement.

(b) Matson Note Purchase Agreement. Immediately following the Distribution, Holdings shall use its reasonable best efforts to cause senior unsecured notes in an aggregate principal amount of \$160 million to be issued by Matson under the Matson Note Purchase Agreement.

(c) A&B Credit Agreement. New A&B shall use its reasonable best efforts to cause the following to occur prior to or simultaneously with the Distribution: (i) termination of the Existing A&B Credit Agreement and (ii) availability of funds under of the Replacement A&B Credit Agreement.

(d) A&B Note Purchase Agreement. New A&B shall use its reasonable best efforts to cause, prior to or simultaneously with the Distribution, the A&B Note Purchase Agreement to be amended by the parties thereto to permit, among other things, the Transactions to be effected without resulting in a default under, or a termination of, the A&B Note Purchase Agreement.

(e) Expenses. Holdings shall be responsible for any initial commitment fees and other expenses incurred in connection with Section 3.4(a) and Section 3.4(b) and New A&B shall be responsible for any initial commitment fees and other expenses incurred in connection with Section 3.4(c) and Section 3.4(d).

Section 3.5 Ancillary Agreements. Prior to the Distribution Time, each Party shall execute and deliver, and shall cause each applicable member of its Group to execute and deliver, as applicable, the following agreements (collectively, the "Ancillary Agreements"):

(a) Tax Sharing Agreement;

(b) Transition Services Agreement;

(c) Employee Matters Agreement; and

(d) such other written agreements, documents or instruments as the Parties may agree are reasonably necessary or desirable and which specifically state that they are Ancillary Agreements within the meaning of this Agreement.

Section 3.6 Governance Matters.

(a) Articles of Incorporation and Bylaws. On or prior to the Distribution Date, the Parties shall take all necessary actions to adopt each of the amended and restated articles of incorporation and the amended and restated bylaws of New A&B, each substantially in the forms filed by New A&B with the SEC as exhibits to the Registration Statement.

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(b) Officers and Directors. On or prior to the Distribution Date, the Parties shall take all necessary action so that, as of the Distribution Date, the officers and directors of New A&B will be as set forth in the Information Statement.

(c) Certain Resignations. Except as set forth on Section 3.6(c) of the Disclosure Schedule, on or prior to the Distribution Date, (i) New A&B shall deliver, or cause to be delivered, to Holdings resignations, effective immediately after the Distribution, of each individual who will be an employee, officer or director of any member of the A&B Group after the Distribution and who is an employee, officer or director of any member of the Matson Group immediately prior to the Distribution from such position or positions with any member of the Matson Group and (ii) Holdings shall deliver, or cause to be delivered, to New A&B resignations, effective immediately after the Distribution, of each individual who will be an employee, officer or director of any member of the Matson Group after the Distribution and who is an employee, officer or director of any member of the A&B Group immediately prior to the Distribution from such position or positions with any member of the A&B Group.

**ARTICLE IV**

**THE DISTRIBUTION**

Section 4.1 Delivery to Distribution Agent. Subject to Section 5.1, on or prior to the Distribution Date, Holdings will authorize the Distribution Agent, for the benefit of holders of record of Holdings Common Stock at the close of business on the Record Date (the "Record Holders"), to effect the book-entry transfer of all outstanding shares of New A&B Common Stock and will order the Distribution Agent to effect the Distribution at the Distribution Time in the manner set forth in Section 4.2.

Section 4.2 Mechanics of the Distribution.

(a) On the Distribution Date, Holdings will direct the Distribution Agent to distribute, effective as of the Distribution Time, to each Record Holder, a number of shares of New A&B Common Stock equal to the number of shares of Holdings Common Stock held by such Record Holder

on the Record Date. All such shares of New A&B Common Stock to be so distributed shall be distributed as uncertificated shares registered in book-entry form through the direct registration system. No certificates therefor shall be distributed. Following the Distribution, Holdings shall cause the Distribution Agent to deliver an account statement to each holder of New A&B Common Stock reflecting such holder's ownership thereof. All of the shares of New A&B Common Stock distributed in the Distribution will be validly issued, fully paid and non-assessable.

(b) Any New A&B Common Stock that remains unclaimed by any Record Holder on the first anniversary of the Distribution Date will be delivered to New A&B. Following the first anniversary of the Distribution Date, New A&B will hold such New A&B Common Stock for the account of the applicable Record Holders and any applicable Record Holder will look only to New A&B for the New A&B Common Stock, subject in each case to applicable escheat or other abandoned property Laws.

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(c) Notwithstanding the foregoing provisions of this Section 4.2, the rights of holders of restricted stock of Holdings shall be as provided in the Employee Matters Agreement.

## ARTICLE V

### CONDITIONS

Section 5.1 Conditions Precedent to Consummation of the Transactions. None of the Transactions shall become effective unless the following conditions have been satisfied or waived by Holdings, in its sole and absolute discretion, at or before the Distribution Time:

- (a) the Board of Directors of Holdings shall have approved the Transactions, including the declaration of the Distribution, which approval may be given or withheld at its sole and absolute discretion;
- (b) the Registration Statement shall have been declared effective by the SEC, with no stop order in effect with respect thereto, and no proceedings for such purpose shall be pending before or threatened by the SEC;
- (c) New A&B shall have mailed the Information Statement (and such other information concerning New A&B, the A&B Businesses, New A&B's operations and management, the Distribution and such other matters as the Parties shall determine and as may otherwise be required by Law) to the Record Holders;
- (d) all other actions and filings necessary or appropriate under applicable federal or state securities Laws and state blue sky Laws in connection with the Transactions shall have been taken;
- (e) the IRS Ruling shall remain in full force and effect and shall not have been modified or amended in any respect adversely affecting the Intended Tax-Free Treatment of the Transactions;
- (f) Holdings shall have received an opinion from Skadden, Arps, Slate, Meagher & Flom LLP (which opinion will rely upon the effectiveness of the IRS Ruling), dated the Distribution Date, in form and substance acceptable to the Parties substantially to the effect that, among other things, the Contribution, the Separation and the Distribution, taken together, will qualify as a reorganization under Section 368 of the Code;
- (g) Holdings shall have obtained a surplus and solvency opinion from Duff & Phelps LLC, in form and substance reasonably satisfactory to Holdings, to the effect that, among other things, Holdings has adequate surplus under Hawaii law to declare the Distribution and that, following the Distribution, Holdings and New A&B will each be solvent and adequately capitalized;

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- (h) the NYSE shall have approved the NYSE Listing Applications, subject to official notice of issuance;
- (i) the Financings (other than the issuance of the senior unsecured notes pursuant to Section 3.4(b)) shall have been completed in accordance with and subject to the terms of this Agreement;
- (j) the Ancillary Agreements shall have been executed and delivered by each of the parties thereto and no party to any of the Ancillary Agreements will be in material breach of any such agreement;
- (k) any material Governmental Approvals and Consents necessary to consummate the Transactions or any portion thereof shall have been obtained and be in full force and effect;
- (l) no preliminary or permanent injunction or other order, decree, or ruling issued by a Governmental Authority, and no statute (as interpreted through orders or rules of any Governmental Authority duly authorized to effectuate the statute), rule, regulation or executive order promulgated or enacted by any Governmental Authority shall be in effect preventing the consummation of, or materially limiting the benefits of, the Transactions; and
- (m) no other event or development shall have occurred or failed to occur that, in the judgment of the Board of Directors of Holdings, in its sole discretion, prevents the consummation of the Transactions or any portion thereof or makes the consummation of the Transactions inadvisable.

Section 5.2 Right Not to Close. Each of the conditions set forth in Section 5.1 is for the benefit of Holdings and the Board of Directors of Holdings may, in its sole and absolute discretion, determine whether to waive any condition, in whole or in part. Any determination made by the Board of Directors of Holdings concerning the satisfaction or waiver of any or all of the conditions in Section 5.1 will be conclusive and binding on the Parties. The satisfaction of the conditions set forth in Section 5.1 will not create any obligation on the part of Holdings to any other Person to effect any of

the Transactions or in any way limit Holdings' right to terminate this Agreement and the Ancillary Agreements as set forth in Section 11.1 or alter the consequences of any termination from those specified in Section 11.2.

## ARTICLE VI

### NO REPRESENTATIONS OR WARRANTIES

Section 6.1 Disclaimer of Representations and Warranties. EACH PARTY (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF ITS GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN ANY ANCILLARY AGREEMENT OR IN ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, NO PARTY IS REPRESENTING OR WARRANTING IN ANY WAY AS TO (A) THE ASSETS, BUSINESSES OR LIABILITIES CONTRIBUTED, TRANSFERRED, DISTRIBUTED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, (B) ANY CONSENTS OR

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GOVERNMENTAL APPROVALS REQUIRED IN CONNECTION HERewith OR THEREWITH, (C) THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF ANY PARTY, (D) THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ACTION OR OTHER ASSET, INCLUDING ACCOUNTS RECEIVABLE, OF ANY PARTY, OR (E) THE LEGAL SUFFICIENCY OF ANY CONTRIBUTION, DISTRIBUTION, ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER OR THEREUNDER TO CONVEY TITLE TO ANY ASSET UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF.

Section 6.2 As Is, Where Is. EACH PARTY (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF ITS GROUP) UNDERSTANDS AND AGREES THAT ALL ASSETS TRANSFERRED PURSUANT TO THIS AGREEMENT OR ANY ANCILLARY AGREEMENT ARE BEING TRANSFERRED "AS IS, WHERE IS."

## ARTICLE VII

### CERTAIN COVENANTS AND ADDITIONAL AGREEMENTS

Section 7.1 Insurance Matters.

(a) General. Each Insurance Policy owned or maintained by or on behalf of Holdings or any of its Subsidiaries that relates exclusively to (i) the A&B Businesses ("A&B Specific Policies") shall be an A&B Asset and (ii) the Matson Businesses shall be a Matson Asset. All other Insurance Policies shall be subject to the provisions of Section 7.1(b).

(b) Combined Policies. Holdings hereby agrees to use its reasonable best efforts to take the following actions, effective in each case prior to or on the Distribution Date (it being understood that New A&B shall be responsible for all premiums, costs and fees associated with any new insurance policies placed for the benefit of New A&B pursuant to this Section 7.1(b)):

(i) cause each Insurance Policy listed on Section 7.1(b)(i) of the Disclosure Schedule (the "D&O Policies") to be canceled and place separate policies for each of Holdings and New A&B on substantially similar terms as the D&O Policies;

(ii) allow each Insurance Policy listed on Section 7.1(b)(ii) of the Disclosure Schedule (the "Occurrence Based Policies") to expire by its terms and place separate policies for each of Holdings and New A&B on substantially similar terms as the Occurrence Based Policies;

(iii) cause each Insurance Policy listed on Section 7.1(b)(iii) of the Disclosure Schedule (the "Claims Made Policies") to be canceled and place separate policies for each of Holdings and New A&B on substantially similar terms as the Claims Made Policies and including prior acts coverage with full retroactivity or, alternatively, place prepaid run-off coverage for the six-year period commencing immediately after the Distribution Date for acts or omissions occurring prior to the Distribution Date and place separate policies for each of Holdings and New A&B for acts or omissions occurring after the Distribution Date on substantially similar terms as the Claims Made Policies; and

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(iv) with respect to each Insurance Policy listed on Section 7.1(b)(iv) of the Disclosure Schedule (the "Property/Boiler & Machinery Policies") and together with the D&O Policies, the Occurrence Based Policies and the Claims Made Policies, the "Combined Policies"), cause all exposure related to the Matson Businesses to be removed from the insured value schedule and place new policies for Holdings to cover such exposures.

(c) D&O Run-Off Policy.

(i) For the six-year period commencing immediately after the Distribution Date, Holdings shall maintain in effect prepaid run-off tail coverage (the "Run-Off Policy"), for acts or omissions occurring prior to the Distribution Date with respect to those Persons who are currently covered by the D&O Policies which are to be canceled pursuant to Section 7.1(b)(i) on terms and at limits no less favorable than the coverage currently provided under such policies.

(ii) Subject to the last sentence of Section 7.1(f)(i), all premiums (exclusive of any commissions which are the subject of Section 7.1(c)(iii)) due with respect to the Run-Off Policy shall be split evenly between Holdings and New A&B.

(iii) All commissions due with respect to the Run-Off Policy shall be split evenly between Holdings and New A&B.

(d) Occurrence Based Policies Claims.

(i) For any claim asserted against any member of the A&B Group after the Distribution Date arising out of an occurrence or Loss taking place prior to the Distribution Date (“Pre-Distribution Claim”), the applicable member of the A&B Group may access coverage under any of the Occurrence Based Policies under which the applicable member of the A&B Group is insured and Holdings shall cooperate with the applicable member of the A&B Group in connection with the tendering of such claims.

(ii) In the event that a Pre-Distribution Claim relates to the same occurrence for which any member of the Matson Group is seeking coverage under an Occurrence Based Policy, and the limits under the applicable Occurrence Based Policy are not sufficient to fund all covered claims of the applicable member of the Matson Group and the applicable member of the A&B Group, amounts due under such Occurrence Based Policy shall be paid to the respective entities in proportion to the amounts which otherwise would be due were the limits of liability infinite.

(iii) After the Distribution Date, any third party administrator fees and deposits related to claims made under any Occurrence Based Policy shall be paid in accordance with the protocol historically used prior to the Distribution Date.

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(e) Retentions/Deductibles.

(i) For any Pre-Distribution Claim made after the Distribution Date against the Run-Off Policy or any Occurrence Based Policy, all amounts necessary to exhaust or otherwise satisfy all applicable retentions, deductibles or other amounts not covered by such policy shall be:

(A) paid by Holdings to the extent such claim relates exclusively to the Matson Businesses;

(B) paid by New A&B to the extent such claim relates exclusively to the A&B Businesses; or

(C) split evenly between Holdings and New A&B for all other claims, including any claim relating to general corporate matters.

(ii) New A&B shall be permitted to determine whether to settle any claim for which New A&B is required to pay any applicable deductibles or retentions pursuant to Section 7.1(e)(i)(B).

(iii) For the avoidance of doubt, any dispute between the Parties arising out of or related to this Section 7.1(e) shall be subject to the dispute resolution provisions of Article X.

(f) Unearned Premium and “No Claims Retro Feature.”

(i) Holdings and New A&B shall be entitled to their respective interest in any unearned premium paid by any insurer as a result of the cancellation of any of the Combined Policies pursuant to Section 7.1(b)(i) — (iii). Each Party’s respective interest in any unearned premium shall be determined based on the proportion of the premium paid by each Party with respect to such policy in accordance with the internal premium allocation model historically used prior to the Distribution Date. Notwithstanding the foregoing, any premium credit applied to the Run-Off Policy as a result of the cancellation of the D&O Policies pursuant to Section 7.1(b)(i) shall be used to offset any amount due from New A&B pursuant to Section 7.1(c)(ii).

(ii) Holdings shall be entitled to a full refund of Matson’s unearned premium (based on rates provided by the applicable insurance company) as a result of any endorsements made to the Property/Boiler & Machinery Policies pursuant to Section 7.1(b)(iv).

(iii) Any “No Claims Retro Feature” paid after the Distribution Date pursuant to any Property/Boiler & Machinery Policies shall be allocated between Holdings and New A&B in accordance with the internal premium allocation model historically used prior to the Distribution Date adjusted for unearned premium refunds.

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(g) Expirations and Renewals. With respect to any Combined Policy that expires prior to the Distribution Date, Holdings shall, in its sole discretion, take any of the following actions: (i) allow the policy to expire and place separate policies for Holdings and New A&B in accordance with Section 7.1(b), as applicable, (ii) extend the policy through the Distribution Date or (iii) renew the policy.

(h) Copies of Policies. As soon as reasonably practical following the Distribution Date, Holdings shall, at its own expense, provide to New A&B copies of all A&B Specific Policies and all Combined Policies. At anytime after the Distribution Date, upon the reasonable request of New A&B, Holdings shall provide to New A&B copies of all other documents related to any A&B Specific Policies or any Combined Policies (in each case, including without limitation, certificates of insurance, insurer quotes and documents provided to underwriters).

Section 7.2 Signs; Use of Names.

(a) Except as otherwise provided in any Ancillary Agreement, prior to the end of the period beginning on the Distribution Date and ending ninety (90) days thereafter (the “Transition Period”), the Parties, each at their own expense, shall remove any and all exterior and interior signs and identifiers on Assets or properties owned or held by such Party or any member of its Group that show any affiliation with any member of the other Group. Holdings hereby grants to New A&B and New A&B hereby grants to Holdings, during the Transition Period, a non-exclusive, non-transferable, fully-paid and royalty-free license to use each other member of their Group’s respective corporate names (“Marks”) on business cards, schedules, stationery, displays, signs, promotional materials, manuals, forms, computer software and other material used in their respective businesses as of the Distribution Time.

Notwithstanding the foregoing, Holdings shall use reasonable efforts to change all references to the Marks of New A&B and each other member of its Group and New A&B shall use reasonable best efforts to change all references to the Marks of Holdings and each other member of its Group, in each case, as soon as practicable following the Distribution Time.

(b) Except as otherwise provided in any Ancillary Agreement, at the end of the Transition Period, (i) without the prior written consent of Holdings, New A&B shall not, and shall cause each other member of its Group not to, use or display the name "Matson," or any variations thereof, or other trademarks, trade names, logos or identifiers using any of such names or otherwise owned by or licensed to any member of the Matson Group and (ii) without the prior written consent of New A&B, Holdings shall not, and shall cause each other member of its Group not to, use or display the name "Alexander & Baldwin," or any variations thereof, or other trademarks, trade names, logos or identifiers using any of such names or otherwise owned by or licensed to any member of the A&B Group; provided, however, that notwithstanding the foregoing, nothing contained in this Agreement shall prevent any Party from using any other Party's name in public filings with Governmental Authorities, materials intended for distribution to either Party's stockholders or any other communication in any medium that describes the relationship between the Parties, including materials distributed to employees relating to the transition of employee benefit plans.

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Section 7.3      Mail and Other Communications.

(a) From time to time following the Distribution Date, a member of one Group may receive mail, packages and other communications properly belonging to a member of the other Group.

(b) Accordingly, at all times after the Distribution Date:

(i) New A&B authorizes each member of the Matson Group to open all mail, packages and other communications received by any member of the Matson Group, subject to the confidentiality provisions and restrictions in Section 8.7, and to the extent that any such mail, package or other communication does not relate solely to Matson Businesses, Holdings shall, or shall cause any other applicable member of the Matson Group to, promptly deliver such mail, package or other communication to a member of the A&B Group; and

(ii) Holdings authorizes each member of the A&B Group to open all mail, packages and other communications received by any member of the A&B Group, subject to the confidentiality provisions and restrictions in Section 8.7, and to the extent that any such mail, package or other communication does not relate solely to A&B Businesses, New A&B shall, or shall cause any other applicable member of the A&B Group to, promptly deliver such mail, package or other communication to a member of the Matson Group.

(c) The provisions of this Section 7.3 are not intended to, and will not be deemed to, constitute an authorization by any party to permit the other to accept service of process on its behalf and no party is or will be deemed to be the agent of any other party for service of process purposes.

**ARTICLE VIII**

**ACCESS TO INFORMATION; CONFIDENTIALITY; PRIVILEGE**

Section 8.1      Agreement for Exchange of Information.

(a) Subject to Section 8.1(b):

(i) for a period of six (6) years following the Distribution Date, as soon as reasonably practicable after written request: (A) Holdings shall afford to any member of the A&B Group and their authorized accountants, counsel and other designated representatives reasonable access during normal business hours to, or, at the A&B Group's expense, provide copies of, all books, records, Contracts, instruments, data, documents and other information in the possession or under the control of any member of the Matson Group immediately following the Distribution Date that relates to any member of the A&B Group, the A&B Businesses or the employees or former employees of the A&B Businesses and (B) New A&B shall afford to any member of the Matson Group and their authorized accountants, counsel and other designated representatives reasonable access during normal business hours to, or, at the

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Matson Group's expense, provide copies of, all books, records, Contracts, instruments, data, documents and other information in the possession or under the control of any member of the A&B Group immediately following the Distribution Date that relates to any member of the Matson Group, the Matson Businesses or the employees or former employees of the Matson Businesses; and

(ii) for a period of two (2) years following the Distribution Date, as soon as reasonably practicable after written request: (A) to the extent that information or knowledge with respect to the A&B Businesses as of or prior to the Distribution Time is available through discussions with employees of any member of the Matson Group, Holdings shall make such employees reasonably available to New A&B to provide such information or knowledge and (B) to the extent that information or knowledge relating to the Matson Businesses as of or prior to the Distribution Time is available through discussions with employees of any member of the A&B Group, New A&B shall make such employees reasonably available to Holdings to provide such information or knowledge;

provided, however, that in the event that New A&B or Holdings, as applicable, determine that any such provision of or access to any information in response to a request under this Section 8.1(a) would be commercially detrimental in any material respect, violate any Law or agreement or waive any attorney-client privilege, the work product doctrine or other applicable privilege, the Parties shall take all reasonable measures to permit compliance with such request in a manner that avoids any such harm or consequence; provided, further, that to the extent specific information- or knowledge-sharing provisions are contained in any of the Ancillary Agreements, such other provisions (and not this Section 8.1(a)) shall govern; provided, further, that the 6-year period in Section 8.1(a)(i)

or the 2-year period in Section 8.1(a)(ii), as applicable, shall be extended with respect to requests related to any third party litigation or other dispute filed prior to the end of such period until such litigation or dispute is finally resolved.

(b) A request for information under Section 8.1(a) may be made: (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities laws) by a Governmental Authority having jurisdiction over such requesting party, (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims defense, regulatory filings, litigation or other similar requirements (other than in connection with any action, suit or proceeding in which any member of the Matson Group is adverse to any member of the A&B Group, or vice versa), (iii) for use in compensation, benefit or welfare plan administration or other bona fide business purposes, or (iv) to comply with any obligations under this Agreement or any Ancillary Agreement.

(c) Without limiting the generality of Section 8.1(a), until the end of the first full fiscal year following the Distribution Date (and for a reasonable period of time thereafter as required for any party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs), New A&B shall use its reasonable best efforts to cooperate with any requests from any member of the Matson Group pursuant to Section 8.1(a) and Holdings shall use its reasonable best efforts to

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cooperate with any requests from any member of the A&B Group pursuant to Section 8.1(a), in each case to enable the requesting party to meet its timetable for dissemination of its earnings releases and financial statements and to enable such requesting party's auditors to timely complete their audit of the annual financial statements and review of the quarterly financial statements.

Section 8.2 Ownership of Information. Any information owned by any party that is provided to a requesting party pursuant to Section 8.1(a) shall be deemed to remain the property of the providing party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed to grant or confer rights of license or otherwise to the requesting party with respect to any such information.

Section 8.3 Compensation for Providing Information. A Party requesting information pursuant to Section 8.1(a) agrees to reimburse the providing party for the reasonable expenses, if any, of gathering and copying such information, to the extent that such expenses are incurred for the benefit of the requesting party.

Section 8.4 Retention of Records. To facilitate the exchange of information pursuant to this Article VIII after the Distribution Date, for a period of six (6) years following the Distribution Date, except as otherwise required or agreed in writing, the Parties agree to use reasonable best efforts to retain, or cause to be retained, all information in their, or any member of their Group's, respective possession or control on the Distribution Date in accordance with the policies and procedures of Holdings as in effect on the Distribution Date.

Section 8.5 Limitation of Liability. No party shall have any Liability to the other party (a) if any historical information exchanged or provided pursuant to this Article VIII is found to be inaccurate, in the absence of gross negligence or willful misconduct by the party that provided such information or (b) if any information is destroyed despite using reasonable best efforts to comply with the provisions of Section 8.4.

Section 8.6 Production of Witnesses. At all times from and after the Distribution Date, upon reasonable request:

(a) New A&B shall use reasonable best efforts to make available, or cause to be made available, to any member of the Matson Group, the directors, officers, employees and agents of any member of the A&B Group as witnesses to the extent that the same may reasonably be required by the requesting party (giving consideration to business demands of such directors, officers, employees and agents) in connection with any legal, administrative or other proceeding in which the requesting party may from time to time be involved, except in the case of any action, suit or proceeding in which any member of the A&B Group is adverse to any member of the Matson Group; and

(b) Holdings shall use reasonable best efforts to make available, or cause to be made available, to any member of the A&B Group, the directors, officers, employees and agents of any member of the Matson Group as witnesses to the extent that the same may reasonably be required by the requesting party (giving consideration to business demands of such directors, officers, employees and agents) in connection with any legal, administrative or other proceeding in which the requesting party may from time to time be involved, except in the case of any action, suit or proceeding in which any member of the Matson Group is adverse to any member of the A&B Group.

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Section 8.7 Confidentiality.

(a) New A&B (on behalf of itself and each other member of its Group) and Holdings (on behalf of itself and each other member of its Group) shall hold, and shall cause each of their respective Affiliates to hold, and each of the foregoing shall cause their respective directors, officers, employees, agents, consultants and advisors to hold, in strict confidence, and not to disclose or release or use, for any purpose other than as expressly permitted pursuant to this Agreement or the Ancillary Agreements, any and all Confidential Information concerning any member of the other Group without the prior written consent of such member of the other Group; provided, that the Parties may disclose, or may permit disclosure of, such Confidential Information (i) to their respective auditors, attorneys, financial advisors, bankers and other appropriate consultants and advisors who have a need to know such information for auditing and other non-commercial purposes and who are informed of their obligation to hold such information confidential to the same extent as is applicable to the Parties hereunder and in respect of whose failure to comply with such obligations, the applicable Party will be responsible, (ii) if the Parties or any of their respective Affiliates are required or compelled to disclose any such Confidential Information by judicial or administrative process or by other requirements of Law or stock exchange rule, or (iii) as necessary in order to permit a Party to prepare and disclose its financial statements, or other disclosures required by Law or such applicable stock exchange. Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made pursuant to clause (ii) above, the Party requested to disclose Confidential Information concerning a member of the other Group, shall promptly notify such member of the other Group of the existence of such request or demand and, to the extent commercially practicable, shall provide such member of the other Group thirty (30) days (or such lesser period as is commercially practicable) to seek an appropriate protective order or other remedy, which the Parties will cooperate in obtaining. In the event that such appropriate protective order or other remedy is not obtained, the Party that is required to disclose Confidential Information about a member of the Group shall furnish, or cause to be furnished,



only that portion of the Confidential Information that is legally required to be disclosed and shall use reasonable best efforts to ensure that confidential treatment is accorded such information.

(b) Notwithstanding anything to the contrary set forth herein, the Parties shall be deemed to have satisfied their obligations hereunder with respect to Confidential Information of any member of the other Group if they exercise the same degree of care (but no less than a reasonable degree of care) as they exercise to preserve confidentiality for their own similar Confidential Information.

(c) Upon the written request of a member of a Group, New A&B or Holdings, as applicable, shall take, or shall cause the applicable members of their Group to take, reasonable steps to promptly (i) deliver to the requesting party all original copies of Confidential Information (whether written or electronic) concerning the requesting party or any member of its Group that is in the possession of the non-requesting party or any member of its Group and (ii) if

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specifically requested by the requesting party, destroy any copies of such Confidential Information (including any extracts therefrom), unless such delivery or destruction would violate any Law; provided, that the non-requesting party shall not be obligated to destroy Confidential Information that is required by or relates to the business of the non-requesting party or any member of its Group. Upon the written request of the requesting party, New A&B or Holdings, as applicable, shall cause one of their, or another applicable member of their Group's, duly authorized officers to certify in writing to the requesting party that the requirements of the preceding sentence have been satisfied in full.

#### Section 8.8 Privileged Matters.

(a) Pre-Distribution Services. The Parties recognize that legal and other professional services that have been and will be provided prior to the Distribution Time have been and will be rendered for the collective benefit of the Parties and their Affiliates, and that each of the Parties and their Affiliates should be deemed to be the client with respect to such pre-Distribution services for the purposes of asserting all privileges that may be asserted under applicable Law.

(b) Post-Distribution Services. The Parties recognize that legal and other professional services will be provided following the Distribution Time that will be rendered solely for the benefit of New A&B and its Affiliates or Holdings and its Affiliates, as the case may be. With respect to such post-Distribution services, the Parties agree as follows:

(i) Holdings shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the Matson Businesses, whether or not the privileged information is in the possession of or under the control of Holdings or New A&B. Holdings shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the subject matter of any claims constituting Matson Liabilities, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated by or against any member of the Matson Group, whether or not the privileged information is in the possession of or under the control of Holdings or New A&B; and

(ii) New A&B shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the A&B Businesses, whether or not the privileged information is in the possession of or under the control of Holdings or New A&B. New A&B shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the subject matter of any claims constituting A&B Liabilities, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated by or against any member of the A&B Group, whether or not the privileged information is in the possession of or under the control of Holdings or New A&B.

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(c) The Parties agree that they shall have a shared privilege, with equal right to assert or waive, subject to the restrictions in this Section 8.8, with respect to all privileges not allocated pursuant to the terms of Section 8.8(b). New A&B may not waive, and shall cause each other member of the A&B Group not to waive, any privilege that could be asserted by a member of the Matson Group under any applicable Law, and in which a member of the Matson Group has a shared privilege, without the consent of Holdings, which consent shall not be unreasonably withheld, conditioned or delayed or as provided in Section 8.8(d) or Section 8.8(e) below. Holdings may not waive, and shall cause each other member of the Matson Group not to waive, any privilege that could be asserted by a member of the A&B Group under any applicable Law, and in which a member of the A&B Group has a shared privilege, without the consent of New A&B, which consent shall not be unreasonably withheld, conditioned or delayed or as provided in Section 8.8(d) or Section 8.8(e) below.

(d) In the event of any litigation or dispute between or among New A&B and Holdings, or any members of their respective Groups, the Parties may waive a privilege in which a member of the other Group has a shared privilege, without obtaining the consent from any other party; provided, that such waiver of a shared privilege shall be effective only as to the use of information with respect to the litigation or dispute between the relevant Parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to third parties.

(e) If a dispute arises between or among New A&B and Holdings, or any members of their respective Groups, regarding whether a privilege should be waived to protect or advance the interest of a party, each Party agrees that it shall negotiate in good faith, shall endeavor to minimize any prejudice to the rights of such party and shall not unreasonably withhold consent to any request for waiver by such party. Each Party specifically agrees that it will not withhold consent to waiver for any purpose except to protect its own legitimate interests or the legitimate interests of any other member of its Group.

(f) Upon receipt by either Party, or by any member of its Group, of any subpoena, discovery or other request which requires for the production or disclosure of information which such Party knows is subject to a shared privilege or as to which a member of the other Group has the sole right hereunder to assert or waive a privilege, or if either Party obtains knowledge that any of its or any other member of its Group's current or former directors, officers, agents or employees have received any subpoena, discovery or other requests which requires the production or disclosure of such

privileged information, such Party shall promptly notify the other Party of the existence of the request and shall provide the other Party a reasonable opportunity to review the information and to assert any rights it or they may have under this Section 8.8 or otherwise to prevent the production or disclosure of such privileged information.

(g) The access to information being granted pursuant to Section 8.1, the agreement to provide witnesses and individuals pursuant to Section 8.6 hereof, and the transfer of privileged information between and among the Parties and the members of their respective Groups pursuant to this Agreement shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement, any of the Ancillary Agreements or otherwise.

Section 8.9 Financial Information Certifications. In order to enable the principal executive officer or officers, principal financial officer or officers and controller or controllers of each of the Parties to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002, within thirty (30) days following the end of any fiscal quarter during which New A&B was a Subsidiary of Holdings, and within sixty (60) days following the end of any fiscal year during which New A&B was a Subsidiary of Holdings, the other Party shall provide, or cause to be provided by any other applicable member of its Group, a certification statement with respect to testing of internal controls for corporate and shared services processes for such quarter, year or portion thereof to those certifying officers and employees, which certification shall be in substantially the same form as has been provided by officers or employees in certifications delivered prior to the Distribution Date (provided, that such certification shall be made by the relevant Party or any other applicable member of its Group rather than individual officers or employees), or as otherwise agreed upon between the Parties.

## ARTICLE IX

### MUTUAL RELEASES; INDEMNIFICATION

#### Section 9.1 Release of Pre-Distribution Claims.

(a) Except as provided in Section 9.1(c), effective as of the Distribution Time, New A&B does hereby, for itself and each other member of the A&B Group, release and forever discharge each Matson Indemnitee, from any and all Liabilities whatsoever to any member of the A&B Group, whether at law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before the Distribution Time, including in connection with the Transactions.

(b) Except as provided in Section 9.1(c), effective as of the Distribution Time, Holdings does hereby, for itself and each other member of the Matson Group, release and forever discharge each A&B Indemnitee from any and all Liabilities whatsoever to any member of the Matson Group, whether at law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before the Distribution Time, including in connection with the Transactions.

(c) The Parties expressly understand and acknowledge that it is possible that unknown losses or claims exist or might come to exist or that present losses may have been underestimated in amount, severity, or both. Accordingly, the Parties are deemed expressly to understand provisions and principles of law such as Section 1542 of the Civil Code of the State of California (as well as any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar or comparable to Section 1542), which Section provides: **GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT**

**TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.** The Parties are hereby deemed to agree that the provisions of Section 1542 and all similar federal or state laws, rights, rules, or legal principles of California or any other jurisdiction that may be applicable herein, are hereby knowingly and voluntarily waived and relinquished with respect to the releases in Section 9.1(a) and Section 9.1(b).

(d) Nothing contained in Section 9.1(a) or Section 9.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in, or contemplated to continue pursuant to, this Agreement or any Ancillary Agreement. Without limiting the foregoing, nothing contained in Section 9.1(a) or Section 9.1(b) shall release any Person from:

(i) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of that Group under, this Agreement or any Ancillary Agreement;

(ii) any Liability that such Person may have with respect to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement for claims brought by third Persons, which Liability shall be governed by the provisions of this Article IX and, if applicable, the appropriate provisions of the Ancillary Agreements;

(iii) any unpaid accounts payable or receivable arising from or relating to the sale, provision, or receipt of goods, payment for goods, property or services purchased, obtained or used in the ordinary course of business by any member of the Matson Group from any member of the A&B Group, or by any member of the A&B Group from any member of the Matson Group; or

(iv) any Liability the release of which would result in the release of any Person other than an Indemnitee; provided, that the Parties agree not to bring suit, or permit any other member of their respective Group to bring suit, against any Indemnitee with respect to such Liability.

(e) New A&B shall not make, and shall not permit any other member of the A&B Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or indemnification, against any Matson Indemnitee with respect to any Liabilities released pursuant to Section 9.1(a). Holdings shall not make, and shall not permit any member of the Matson Group to make, any claim or

demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any A&B Indemnitee with respect to any Liabilities released pursuant to Section 9.1(b).

Section 9.2 Indemnification by New A&B. Except as provided in Section 9.4 and Section 9.5, New A&B shall, and, in the case of Section 9.2(a), Section 9.2(b) or Section 9.2(c), shall in addition cause another Appropriate Member of the A&B Group to, indemnify, defend and hold harmless, the Matson Indemnitees from and against any and all Losses of the Matson Indemnitees relating to, arising out of or resulting from any of the following (without duplication):

- (a) any A&B Liability, including the failure of any member of the A&B Group or any other Person to pay, perform or otherwise promptly discharge any A&B Liabilities in accordance with their respective terms, whether prior to, at or after the Distribution Time;
- (b) ABHI-Crockett to the extent such Losses relate to, arise out of or result from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to or at the Distribution Time;
- (c) any breach by any member of the A&B Group of any provision of this Agreement or of any of the Ancillary Agreements, subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein; and
- (d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Registration Statement or the Information Statement (other than information regarding any member of the Matson Group provided by any member of the Matson Group in writing to New A&B expressly for inclusion in the Registration Statement or the Information Statement);

in each case, regardless of when or where the loss, claim, accident, occurrence, event or happening giving rise to the Loss took place, or whether any such loss, claim, accident, occurrence, event or happening is known or unknown, or reported or unreported and regardless of whether such loss, claim, accident, occurrence, event or happening giving rise to the Loss existed prior to, on or after the Distribution Date or relates to, arises out of or results from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, on or after the Distribution Date. As used in this Section 9.2, “Appropriate Member of the A&B Group” means the member or members of the A&B Group, if any, whose acts, conduct or omissions or failures to act caused, gave rise to or resulted in the Loss from and against which indemnity is provided.

Section 9.3 Indemnification by Holdings. Except as provided in Section 9.4 and Section 9.5, Holdings shall, and, in the case of Section 9.3(a), Section 9.3(b), Section 9.3(c) or Section 9.3(d), shall in addition cause any other Appropriate Member of the Matson Group to, indemnify, defend and hold harmless the A&B Indemnitees from and against any and all Losses of the A&B Indemnitees relating to, arising out of or resulting from any of the following (without duplication):

- (a) any Matson Liability, including the failure of any member of the Matson Group or any other Person to pay, perform or otherwise promptly discharge any Matson Liabilities in accordance with their respective terms, whether prior to, at or after the Distribution Time;

- (b) ABHI-Crockett to the extent such Losses are not subject to Section 9.2(b);
- (c) any amounts required to be reimbursed by New A&B to XL pursuant to the Auto Liability, General Liability or State Act Mainland Workers’ Compensation Programs listed on Section 7.1(b)(ii) of the Disclosure Schedule to the extent such reimbursement is related to losses of any member of the Matson Group;
- (d) any breach by any member of the Matson Group of any provision of this Agreement or of any of the Ancillary Agreements, subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein; and
- (e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, solely with respect to information regarding any member of the Matson Group provided by any member of the Matson Group in writing to New A&B expressly for inclusion in the Registration Statement or the Information Statement;

in each case, regardless of when or where the loss, claim, accident, occurrence, event or happening giving rise to the Loss took place, or whether any such loss, claim, accident, occurrence, event or happening is known or unknown, or reported or unreported and regardless of whether such loss, claim, accident, occurrence, event or happening giving rise to the Loss existed prior to, on or after the Distribution Date or relates to, arises out of or results from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, on or after the Distribution Date. As used in this Section 9.3, “Appropriate Member of the Matson Group” means the member or members of the Matson Group, if any, whose acts, conduct or omissions or failures to act caused, gave rise to or resulted in the Loss from and against which indemnity is provided.

Section 9.4 Procedures for Indemnification.

- (a) An Indemnitee shall give notice of any matter that such Indemnitee has determined has given or would reasonably be expected to give rise to a right of indemnification under this Agreement or any Ancillary Agreement (other than a Third-Party Claim which shall be governed by Section 9.4(b)) to any Party that is or may be required pursuant to this Agreement or any Ancillary Agreement to make such indemnification (the “Indemnifying Party.”) promptly (and in any event within fifteen (15) days) after making such a determination. Such notice shall state the amount of the Loss claimed, if known, and method of computation thereof, and containing a reference to the provisions of this Agreement or the applicable Ancillary Agreement in respect of which such right of indemnification is claimed by such Indemnitee; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations except and solely to the extent the Indemnifying Party shall have been materially prejudiced as a result of such failure.

(b) If a claim or demand is made against an Indemnitee by any Person who is not a party to this Agreement or an Affiliate of a Party (a “Third-Party Claim”) as to which such Indemnitee is or reasonably expects to be entitled to indemnification pursuant to this Agreement, such Indemnitee shall notify the Indemnifying Party in writing, and in reasonable detail, of the Third-Party Claim promptly (and in any event within thirty (30) days) after receipt by such Indemnitee of written notice of the Third-Party Claim; provided, however, that the failure to provide notice of any such Third-Party Claim pursuant to this sentence shall not release the Indemnifying Party from any of its obligations except and solely to the extent the Indemnifying Party shall have been materially prejudiced as a result of such failure (except that the Indemnifying Party or Parties shall not be liable for any expenses incurred by the Indemnitee in defending such Third-Party Claim during the period in which the Indemnitee failed to give such notice). Thereafter, the Indemnitee shall deliver to the Indemnifying Party, promptly (and in any event within ten (10) days) after the Indemnitee’s receipt thereof, copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim.

(c) An Indemnifying Party shall be entitled (but shall not be required) to assume, control the defense of, and settle any Third-Party Claim, at such Indemnifying Party’s own cost and expense and by such Indemnifying Party’s own counsel, which counsel must be reasonably acceptable to the Indemnitee, if it gives written notice of its intention to do so (including a statement that the Indemnitee is entitled to indemnification under this Article IX) to the applicable Indemnitees within thirty (30) days of the receipt of notice from such Indemnitees of the Third-Party Claim (failure of the Indemnifying Party to respond within such thirty (30) day period shall be deemed to be an election by the Indemnifying Party not to assume the defense for such Third-Party Claim). After a notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise or settlement thereof, at its own expense and, in any event, shall reasonably cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party all witnesses and information in such Indemnitee’s possession or under such Indemnitee’s control relating thereto as are reasonably required by the Indemnifying Party; provided, however, that such access shall not require the Indemnitee to disclose any information the disclosure of which would, in the good faith judgment of the Indemnitee, result in the loss of any existing privilege with respect to such information or violate any applicable Law.

(d) Notwithstanding anything to the contrary in this Section 9.4, in the event that (i) an Indemnifying Party elects not to assume the defense of a Third-Party Claim, (ii) there exists a conflict of interest or potential conflict of interest between the Indemnifying Party and the Indemnitee, (iii) any Third-Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the Indemnitee, (iv) the Indemnitee’s exposure to Liability in connection with such Third-Party Claim is reasonably expected to exceed the Indemnifying Party’s exposure in respect of such Third-Party Claim taking into account the indemnification obligations hereunder, or (v) the party making such Third-Party Claim is a Governmental Authority with regulatory authority over the Indemnitee or any of its material Assets, such Indemnitee shall be entitled to control the defense of such Third-Party Claim, at the Indemnifying Party’s expense, with counsel of such Indemnitee’s choosing (such counsel to be reasonably acceptable to the Indemnifying Party). If the Indemnitee is conducting the defense against any such Third-Party Claim, the Indemnifying Party shall reasonably

cooperate with the Indemnitee in such defense and make available to the Indemnitee all witnesses and information in such Indemnifying Party’s possession or under such Indemnifying Party’s control relating thereto as are reasonably required by the Indemnitee; provided, however, that such access shall not require the Indemnifying Party to disclose any information the disclosure of which would, in the good faith judgment of the Indemnifying Party, result in the loss of any existing privilege with respect to such information or violate any applicable Law.

(e) Unless the Indemnifying Party has failed to assume the defense of the Third-Party Claim in accordance with the terms of this Agreement, no Indemnitee may settle or compromise any Third-Party Claim without the consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed). If an Indemnifying Party has failed to assume the defense of the Third-Party Claim, it shall not be a defense to any obligation to pay any amount in respect of such Third-Party Claim that the Indemnifying Party was not consulted in the defense thereof, that such Indemnifying Party’s views or opinions as to the conduct of such defense were not accepted or adopted, that such Indemnifying Party does not approve of the quality or manner of the defense thereof or that such Third-Party Claim was incurred by reason of a settlement rather than by a judgment or other determination of liability.

(f) In the case of a Third-Party Claim, no Indemnifying Party shall consent to entry of any judgment or enter into any settlement of the Third-Party Claim without the consent (not to be unreasonably withheld, conditioned or delayed) of the Indemnitee if the effect thereof is to permit any injunction, declaratory judgment, other order or other non-monetary relief to be entered, directly or indirectly, against any Indemnitee, does not release the Indemnitee from all liabilities and obligations with respect to such Third-Party Claim or includes an admission of guilt or liability on behalf of the Indemnitee.

(g) Absent fraud or intentional misconduct by an Indemnifying Party, the indemnification provisions of this Article IX shall be the sole and exclusive remedy of an Indemnitee for any monetary or compensatory damages or Losses resulting from any breach of this Agreement or any Ancillary Agreement, and each Indemnitee expressly waives and relinquishes any and all rights, claims or remedies such Person may have with respect to the foregoing other than under this Article IX against any Indemnifying Party.

Section 9.5 Indemnification Obligations Net of Insurance Proceeds. The Parties intend that any Loss subject to indemnification or reimbursement pursuant to this Article IX (an “Indemnifiable Loss”) will be net of Insurance Proceeds that actually reduce the amount of the Loss. Accordingly, the amount which an Indemnifying Party is required to pay to any Indemnitee will be reduced by any Insurance Proceeds actually recovered by or on behalf of the Indemnitee in reduction of the related Loss. If an Indemnitee receives a payment (an “Indemnity Payment”) required by this Agreement from an Indemnifying Party in respect of any Loss and subsequently receives Insurance Proceeds, the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payments received over the amount of the Indemnity Payments that would have been due if the Insurance Proceeds recovery had been received, realized or recovered before the Indemnity Payments were made. The Indemnitee shall use and cause its Affiliates to use reasonable best efforts to recover any Insurance Proceeds to which the Indemnitee is entitled with respect to any Indemnifiable Loss. The existence of a claim by an Indemnitee for insurance or against a third party in respect of any Indemnifiable

Loss shall not, however, delay any payment pursuant to the indemnification provisions contained in this Article IX and otherwise determined to be due and owing by an Indemnifying Party; rather, the Indemnifying Party shall make payment in full of such amount so determined to be due and owing by it against a concurrent written assignment by the Indemnitee to the Indemnifying Party of the portion of the claim of the Indemnitee for such insurance or against such third party equal to the amount of such payment. The Indemnitee shall use and cause its Affiliates to use reasonable best efforts to assist the Indemnifying Party in recovering or to recover on behalf of the Indemnifying Party, any Insurance Proceeds to which the Indemnifying Party is entitled with respect to any Indemnifiable Loss as a result of such assignment. The Indemnitee shall make available to the Indemnifying Party and its counsel all employees, books and records, communications, documents, items or matters within its knowledge, possession or control that are necessary, appropriate or reasonably deemed relevant by the Indemnifying Party with respect to the recovery of such Insurance Proceeds; provided, however, that nothing in this sentence shall be deemed to require a Party to make available books and records, communications, documents or items which (i) in such Party's good faith judgment could result in a waiver of any privilege even if the Parties cooperated to protect such privilege as contemplated by this Agreement or (ii) such Party is not permitted to make available because of any Law or any confidentiality obligation to a third party, in which case such Party shall use reasonable best efforts to seek a waiver of or other relief from such confidentiality restriction. Unless the Indemnifying Party has made payment in full of any Indemnifiable Loss, such Indemnifying Party shall use and cause its Affiliates to use reasonable best efforts to recover any Insurance Proceeds to which it or such Affiliate is entitled with respect to any Indemnifiable Loss.

Section 9.6 Indemnification Obligations Net of Taxes. The Parties intend that any Indemnifiable Loss will be net of Taxes.

Accordingly, the amount which an Indemnifying Party is required to pay to an Indemnitee will be adjusted to reflect any tax benefit to the Indemnitee from the underlying Loss and to reflect any Taxes imposed upon the Indemnitee as a result of the receipt of such payment. Such an adjustment will first be made at the time that the Indemnity Payment is made and will further be made, as appropriate, to take into account any change in the liability of the Indemnitee for Taxes that occurs in connection with the final resolution of an audit by a taxing authority. For purposes of this Section 9.6, the value of any tax benefit to the Indemnitee from the underlying Loss shall be an amount equal to the product of (a) the amount of any present or future deduction allowed or allowable to the Indemnitee by the Code, or other applicable Law, as a result of such Loss and (b) the highest statutory rate applicable under Section 11 of the Code, or other applicable Law. Except with respect to any Indemnity Payment for Losses relating to a breach of the Tax Sharing Agreement, which Indemnity Payments shall be treated in accordance with the Tax Sharing Agreement, and to the extent permitted by Law, the Parties will treat any Indemnity Payment paid pursuant to this Article IX as a capital contribution made by Holdings to New A&B or as a distribution made by New A&B to Holdings, as the case may be, on the date of this Agreement.

Section 9.7 Contribution. If the indemnification provided for in this Article IX is unavailable to an Indemnitee in respect of any Indemnifiable Loss, then the Indemnifying Party, in lieu of indemnifying such Indemnitee, shall contribute to the Losses paid or payable by such Indemnitee as a result of such Indemnifiable Loss in such proportion as is appropriate to reflect the relative fault of New A&B and each other member of the A&B Group, on the one hand, and Holdings and each other member of the Matson Group, on the other hand, in connection with the circumstances which resulted in such Indemnifiable Loss.

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Section 9.8 Remedies Cumulative. The remedies provided in this Article IX shall be cumulative and, subject to the provisions of Article X, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 9.9 Survival of Indemnities. The rights and obligations of each of the Parties and their respective Indemnitees under this Article IX shall survive the Distribution Date indefinitely, unless a specific survival or other applicable period is expressly set forth herein, and shall survive the sale or other transfer by any Party or any of its Subsidiaries of any Assets or businesses or the assignment by it of any Liabilities.

Section 9.10 Limitation of Liability. EXCEPT TO THE EXTENT SPECIFICALLY PROVIDED IN ANY ANCILLARY AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY EXEMPLARY, PUNITIVE, SPECIAL, INDIRECT, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES (INCLUDING IN RESPECT OF LOST PROFITS OR REVENUES), HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) ARISING IN ANY WAY OUT OF ANY PROVISION OF THIS AGREEMENT, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## ARTICLE X

### DISPUTE RESOLUTION

Section 10.1 Appointed Representative. Each Party shall appoint a representative who shall be responsible for administering the dispute resolution provisions in Section 10.2 (each, an "Appointed Representative"). Each Appointed Representative shall have the authority to resolve any Agreement Disputes on behalf of the Party appointing such representative.

Section 10.2 Negotiation and Dispute Resolution.

(a) Except as otherwise provided in this Agreement or in any Ancillary Agreement, in the event of a controversy, dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity, termination or breach of this Agreement or any Ancillary Agreement or otherwise arising out of, or in any way related to this Agreement or any Ancillary Agreement or any of the transactions contemplated hereby or thereby (each, an "Agreement Dispute"), the Appointed Representatives shall negotiate in good faith for a reasonable period of time to settle any such Agreement Dispute.

(b) Nothing said or disclosed, nor any document produced, in the course of any negotiations, conferences and discussions in connection with efforts to settle an Agreement Dispute that is not otherwise independently discoverable shall be offered or received as evidence or used for impeachment or for any other purpose, but shall be considered as to have been disclosed for settlement purposes.

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(c) If a satisfactory resolution of any Agreement Dispute is not achieved by the Appointed Representatives within a reasonable period of time, the Parties agree to seek to resolve such Agreement Dispute by mediation administered by Dispute Prevention & Resolution, Inc. (“DPR”) and its mediation rules, and to bear equally the costs of the mediation. If the Agreement Dispute has not been resolved through mediation within 90 days after the date of service of written notice of such Agreement Dispute, or such longer period as the Parties may mutually agree in writing (the “Mediation Period”), each party will be entitled to refer the dispute to arbitration in accordance with Section 10.3.

### Section 10.3 Arbitration.

(a) If the Agreement Dispute has not been resolved for any reason during the Mediation Period, such Agreement Dispute shall be resolved, at the request of either Party, by arbitration administered by the DPR under its Arbitration Rules (the “DPR Rules”), conducted in Honolulu, Hawaii. There shall be three arbitrators. Each Party shall appoint one arbitrator. The two party-appointed arbitrators shall agree on a third arbitrator who will chair the arbitral tribunal. Any arbitrator not appointed within a reasonable time shall be appointed in accordance with the DPR Rules. Any controversy concerning whether an Agreement Dispute is an arbitrable Agreement Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Section 10.3 will be determined by the arbitrators. In resolving any Agreement Dispute, the Parties intend that the arbitrators apply the substantive laws of the State of Hawaii, without regard to any choice of law principles thereof that would mandate the application of the laws of another jurisdiction. The Parties intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable, and any award rendered by the arbitrators shall be final and binding on the Parties. The Parties agree to comply with any award made in any such arbitration proceedings and agree to enforcement of or entry of judgment upon such award, in any court of competent jurisdiction, including any Hawaii State or federal court. The arbitrators shall be entitled, if appropriate, to award monetary damages and other remedies, subject to the provisions of Section 9.10. The Parties will use their reasonable best efforts to encourage the arbitrators to resolve any arbitration related to any Agreement Dispute as promptly as practicable. Except as required by applicable Law, including disclosure or reporting requirements, the arbitrators and the Parties shall maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

(b) The arbitrators may consolidate arbitration under this Agreement with any arbitration arising under or relating to any of the Ancillary Agreements if the subject of the Agreement Disputes thereunder arise out of or relate essentially to the same set of facts or transactions. Such consolidated arbitration will be determined by the arbitrators appointed for the arbitration proceeding that was commenced first in time.

(c) Unless otherwise agreed in writing, the Parties will continue to provide service and honor all other commitments under this Agreement and each Ancillary Agreement during the course of dispute resolution pursuant to the provisions of this Article X with respect to all matters not subject to such dispute resolution.

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## ARTICLE XI

### TERMINATION

Section 11.1 Termination. This Agreement and each of the Ancillary Agreements may be terminated at any time prior to the Distribution Time by and in the sole discretion of Holdings without the approval of any other party.

Section 11.2 Effect of Termination. In the event of termination pursuant to Section 11.1, neither Party shall have any Liability of any kind to the other Party.

## ARTICLE XII

### MISCELLANEOUS

Section 12.1 Further Assurances. Subject to the limitations or other provisions of this Agreement and any Ancillary Agreement, (a) each Party shall, and shall cause the other members of its Group to, use reasonable best efforts (subject to, and in accordance with applicable Law) to take promptly, or cause to be taken promptly, all actions, and to do promptly, or cause to be done promptly, and to assist and cooperate with the other Party in doing, all things reasonably necessary, proper or advisable to consummate and make effective the Transactions and to carry out the intent and purposes of this Agreement and the Ancillary Agreements, including using reasonable best efforts to obtain satisfaction of the conditions precedent in Article V or in any Ancillary Agreement within its reasonable control and to perform all covenants and agreements herein or in any Ancillary Agreement applicable to such Party or any member of its Group and (b) neither Party will, nor will either Party allow any other member of its Group to, without the prior written consent of the other Party, take any action which would reasonably be expected to prevent or materially impede, interfere with or delay any of the Transactions. Without limiting the generality of the foregoing, where the cooperation of third parties, such as insurers or trustees, would be necessary in order for a Party to completely fulfill its obligations under this Agreement or any Ancillary Agreement, such Party shall use reasonable best efforts to cause such third parties to provide such cooperation.

Section 12.2 Payment of Expenses. Except as otherwise expressly provided in this Agreement or in any Ancillary Agreement, each Party will bear its own expenses (and the expenses of the other members of its Group) in connection with the Transactions.

### Section 12.3 Amendments and Waivers.

(a) Subject to Section 11.1, neither this Agreement nor any of the Ancillary Agreements may be amended except by an agreement in writing signed by both Parties.

(b) Any term or provision of this Agreement or of any Ancillary Agreement may be waived, or the time for its performance may be extended, by the Party entitled to the benefit thereof and any such waiver shall be validly and sufficiently given for the purposes of this Agreement or such Ancillary Agreement if it is in writing signed by an authorized representative of such Party. No delay or failure in exercising any right, power or remedy hereunder shall affect or operate as a waiver thereof; nor shall any single or partial

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exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that either Party would otherwise have.

Section 12.4 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded in writing and properly payable that are not paid within thirty (30) days of the date of such bill, invoice or other written demand) shall accrue interest at a rate per annum equal to 12%.

Section 12.5 Entire Agreement. This Agreement, the Ancillary Agreements and the Exhibits and Schedules referenced herein and therein and attached hereto or thereto, constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersede all prior negotiations, agreements, commitments, writings, courses of dealing and understandings with respect to the subject matter hereof.

Section 12.6 Survival of Agreements. Except as otherwise expressly contemplated by this Agreement or any Ancillary Agreement, all covenants and agreements of the Parties contained in this Agreement and each Ancillary Agreement shall survive the Distribution Time and remain in full force and effect in accordance with their applicable terms.

Section 12.7 Coordination With Tax Sharing Agreement. Except as specifically provided herein, this Agreement shall not apply to Taxes (which are covered by the Tax Sharing Agreement). In the case of any conflict between this Agreement and the Tax Sharing Agreement in relation to any matter addressed in the Tax Sharing Agreement, the Tax Sharing Agreement shall prevail.

Section 12.8 Third Party Beneficiaries. Except (a) as provided in Article IX relating to Indemnitees and for the release of any Person provided under Section 9.1, (b) as provided in Section 7.1 relating to insured persons, (c) as provided in Section 8.1(a), and (d) as specifically provided in any Ancillary Agreement, this Agreement and the Ancillary Agreements are solely for the benefit of the Parties and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement or the Ancillary Agreements.

Section 12.9 Notices. All notices, requests, permissions, waivers and other communications hereunder or under any Ancillary Agreement shall be in writing and shall be deemed to have been duly given (a) five (5) Business Days following sending by registered or certified mail, postage prepaid, (b) when sent, if sent by facsimile, provided, that the facsimile transmission is promptly confirmed and any facsimile transmission received after 5:00 p.m. Hawaii-Aleutian Standard time shall be deemed received at 9:00 a.m. Hawaii-Aleutian time on the following Business Day, (c) when delivered, if delivered personally to the intended recipient, and (d) one (1) Business Day following sending by overnight delivery via a national courier service and, in each case, addressed to a Party at the following address for such Party:

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(a) If to Holdings:  
  
Matson, Inc.  
1411 Sand Island Parkway  
Honolulu, HI 96803  
Attention: Chief Legal Officer  
Fax: 808-842-6048

and

Matson, Inc.  
555 12<sup>th</sup> Street  
Oakland, CA 94607  
Attention: Chief Legal Officer  
Fax: 510-628-7331

(b) If to New A&B:  
  
Alexander & Baldwin, Inc.  
822 Bishop Street  
Honolulu, HI 96813  
Attention: Chief Legal Officer  
Fax: 808-525-6652

Section 12.10 Counterparts; Electronic Delivery. This Agreement and the Ancillary Agreements may be executed in multiple counterparts, each of which when executed shall be deemed to be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Agreement, any Ancillary Agreement or any other documents pursuant to this Agreement or any Ancillary Agreement by facsimile or other electronic means shall be deemed to be, and shall have the same legal effect as, execution by an original signature and delivery in person.

Section 12.11 Severability. If any term or other provision of this Agreement, any Ancillary Agreement or the Exhibits or Schedules attached hereto or thereto is determined by a nonappealable decision by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement and the Ancillary Agreements shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to either Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the court, administrative agency or arbitrator shall interpret this Agreement and the Ancillary Agreements so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the

end that the Transactions are fulfilled to the fullest extent possible. If any sentence in this Agreement or in any Ancillary Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

Section 12.12 Assignability; Binding Effect. This Agreement and the Ancillary Agreements shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns; provided, however, that the rights and obligations of each Party under this Agreement or any Ancillary Agreement shall not be assignable, in whole or in part, directly or indirectly, whether by operation of law or otherwise, by such Party without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed) and any attempt to assign any rights or obligations under this Agreement or any Ancillary Agreement without such consent shall be null and void. Notwithstanding the foregoing, a Party may assign this Agreement or any Ancillary Agreement in connection with a merger transaction in which such Party is not the surviving entity or the sale by such Party of all or substantially all of its assets; provided, that the surviving entity of such merger or the transferee of such assets agrees in writing, reasonably satisfactory to the other Party, to be bound by the terms of this Agreement or such Ancillary Agreement as if named as a "Party" hereto or thereto.

Section 12.13 Governing Law. This Agreement and the Ancillary Agreements shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Hawaii, without regard to any conflicts of law provisions thereof that would result in the application of the laws of any other jurisdiction.

Section 12.14 Construction. This Agreement and the Ancillary Agreements shall be construed as if jointly drafted by the Parties and no rule of construction or strict interpretation shall be applied against either Party. The Parties represent that this Agreement and the Ancillary Agreements are entered into with full consideration of any and all rights which the Parties may have. The Parties have relied upon their own knowledge and judgment and upon the advice of the attorneys of their choosing. The Parties have had access to independent legal advice, have conducted such investigations they and their counsel thought appropriate, and have consulted with such other independent advisors as they and their counsel deemed appropriate regarding this Agreement, the Ancillary Agreements and their rights and asserted rights in connection therewith. The Parties are not relying upon any representations or statements made by the other Party, or such other Party's employees, agents, representatives or attorneys, regarding this Agreement or any Ancillary Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement or any Ancillary Agreement. The Parties are not relying upon a legal duty, if one exists, on the part of the other Party (or such other Party's employees, agents, representatives or attorneys) to disclose any information in connection with the execution of this Agreement or any Ancillary Agreement or their preparation, it being expressly understood that neither Party shall ever assert any failure to disclose information on the part of the other Party as a ground for challenging this Agreement or any Ancillary Agreement.

Section 12.15 Performance. Each Party shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein or in any Ancillary Agreement to be performed by any Subsidiary or Affiliate of such Party.

Section 12.16 Title and Headings. Titles and headings to Sections and Articles are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement or any Ancillary Agreement.

Section 12.17 Exhibits and Schedules. The Exhibits and Schedules attached hereto or to any Ancillary Agreement are incorporated herein or therein by reference and shall be construed with and as an integral part of this Agreement or such Ancillary Agreement to the same extent as if the same had been set forth verbatim herein or therein.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have signed this Separation and Distribution Agreement effective as of the date first set forth above.

ALEXANDER & BALDWIN HOLDINGS, INC.

By: /s/ Joel M. Wine  
Name: Joel M. Wine  
Title: Senior Vice President, Chief Financial Officer and Treasurer

A & B II, INC.

By: /s/ Stanley M. Kuriyama  
Name: Stanley M. Kuriyama  
Title: President and Chief Executive Officer

[Signature Page to Separation and Distribution Agreement]



EXHIBIT A

ALEXANDER & BALDWIN, LLC

(all entities are wholly owned unless otherwise indicated)

Subsidiaries

A & B Properties, Inc. (a Hawaii Corporation)

Entities in which A & B Properties, Inc. is involved as a member and/or manager:

A&B Airport Hotel LLC (a Hawaii Limited Liability Company)  
A&B Alakea LLC (a Hawaii Limited Liability Company)  
A&B Deer Valley LLC (a Delaware Limited Liability Company)  
A&B Gateway LLC (a Hawaii Limited Liability Company)  
A&B Guam LLC (a Hawaii Limited Liability Company)  
A&B Hokua LLC (a Hawaii Limited Liability Company)  
A&B Issaquah LLC (a Hawaii Limited Liability Company)  
A&B Ka Milo LLC (a Hawaii Limited Liability Company)  
A&B Kakaako LLC (a Hawaii Limited Liability Company)  
A&B Kane LLC (a Hawaii Limited Liability Company)  
A&B Lanihau LLC (a Hawaii Limited Liability Company)  
A&B Little Cottonwood LLC (a Utah Limited Liability Company)  
A&B Lot 100 LLC (a Hawaii Limited Liability Company)  
A&B MLR LLC (a Hawaii Limited Liability Company)  
MLR Golf Partners LLC (a Hawaii Limited Liability Company)\*  
A&B Ninigret LLC (a Hawaii Limited Liability Company)  
A&B P&L LLC (a Hawaii Limited Liability Company)  
A&B Riverside LLC (a Hawaii Limited Liability Company)  
A&B Santa Barbara LLC (a Hawaii Limited Liability Company)  
Santa Barbara Land and Ranching Company, LLC (a Delaware Limited Liability Company)\*  
A&B Visalia 1 LLC (a Hawaii Limited Liability Company)  
ABHI Visalia 1 LLC (a California Limited Liability Company)  
A&B Visalia 3 LLC (a Delaware Limited Liability Company)  
ABHI Visalia 3 LLC (a California Limited Liability Company)  
A&B Waiawa LLC (a Hawaii Limited Liability Company)  
Waiawa Ridge Development LLC (a Hawaii Limited Liability Company)\*  
A&B Waikiki LLC (a Hawaii Limited Liability Company)  
A&B Wailea LLC (a Hawaii Limited Liability Company)  
Wailea MF-7 LLC (a Hawaii Limited Liability Company)  
Wailea MF-8 LLC (a Hawaii Limited Liability Company)  
Kai Malu Wailea LLC (a Hawaii Limited Liability Company)\*  
A&B Waipio 100 LLC (a Hawaii Limited Liability Company)  
A&B Waipio Shopping Center LLC (a Hawaii Limited Liability Company)  
A&B Westridge LLC (a California Limited Liability Company)\*  
AB Hawaii Royal MacArthur LLC (a Hawaii Limited Liability Company)

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AB Properties Concorde LLC (a Hawaii Limited Liability Company)  
ABI Concorde LLC (A Hawaii Limited Liability Company)  
ABP Deer Valley LLC (a Delaware Limited Liability Company)  
ABP Gateway LLC (a Hawaii Limited Liability Company)  
ABP Komohana LLC (a Hawaii Limited Liability Company)  
ABP Savannah-A LLC (a Hawaii Limited Liability Company)  
ABP Savannah-B LLC (a Hawaii Limited Liability Company)  
Avenue Penn LLC (a Hawaii Limited Liability Company)  
Blacksand Hawaii Investment LLC (a Hawaii Limited Liability Company)  
Bridgeport Marketplace, LLC (a California Limited Liability Company)\*  
Brydeswood Water Company (a Hawaii Non Profit Corporation)  
Centre Pointe Marketplace, LLC (a California Limited Liability Company)\*  
Crossroads Plaza Development Partners, LLC (a California Limited Liability Company)\*  
Hokua Development Group LLC (a Hawaii Limited Liability Company)\*  
Kahului Town Center LLC (a Hawaii Limited Liability Company)  
Kai Lani Company, LLC (a Hawaii Limited Liability Company)\*  
Kamuela Associates LLC (a Hawaii Limited Liability Company)\*  
KDC, LLC (a Hawaii Limited Liability Company)  
Kukui'ula Development Company (Hawaii), LLC (a Hawaii Limited Liability Company)\*  
Koloa Housing I LLC (a Hawaii Limited Liability Company)\*  
Kukui'ula Village LLC (a Delaware Limited Liability Company)\*  
Kewalo Development LLC (a Hawaii Limited Liability Company)  
KKV Management LLC (a Hawaii Limited Liability Company)  
Kona Development Group LLC (a Hawaii Limited Liability Company)\*  
Mahina Ka Milo LLC (a Hawaii Limited Liability Company)  
McBryde Concorde LLC (a Hawaii Limited Liability Company)

Palmdale Trade & Commerce Center, LLC (a California Limited Liability Company)\*  
Panama and Gosford Retail, LLC (a California Limited Liability Company)\*  
Port Allen Residential LLC (a Hawaii Limited Liability Company)  
Rye Canyon Office Partners, LLC (a California Limited Liability Company)\*  
Square One Lahaina LLC (a Hawaii Limited Liability Company)  
Wailea Estates LLC (a Hawaii Limited Liability Company)  
Wailea Water Services LLC (a Hawaii Limited Liability Company)  
Waimanu Development LLC (a Hawaii Limited Liability Company)  
WDCI Deer Valley LLC (a Delaware Limited Liability Company)  
WDCI Heritage LLC (a Hawaii Limited Liability Company)  
WDCI Komohana LLC (a Hawaii Limited Liability Company)

Agri-Quest Development Company, Inc. (a Hawaii Corporation)  
Alexander & Baldwin Foundation (a Hawaii Nonprofit Corporation)  
East Maui Irrigation Company, Limited (a Hawaii Corporation)  
Hawaiian DuraGreen, Inc. (a Hawaii Corporation)  
Kahului Trucking & Storage, Inc. (a Hawaii Corporation)  
Kauai Commercial Company, Incorporated (a Hawaii Corporation)  
Kukui'ula Development Company, Inc. (a Hawaii Corporation)

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Entities in which Kukui'ula Development Company, Inc. is involved as a member and manager:

South Shore Resources LLC (a Hawaii Limited Liability Company)

McBryde Sugar Company, LLC (a Hawaii Limited Liability Company)

McBryde Resources, Inc. (a Hawaii Corporation)

Ohanui Corporation (a Hawaii Corporation)

Other Related Entities

Hawaiian Sugar & Transportation Cooperative (a Hawaii agricultural cooperative association)

Inactive Subsidiaries

A & B Inc. (a Hawaii Corporation)

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\*Partial ownership

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**EXHIBIT B**

**MATSON NAVIGATION COMPANY, INC.**

(all entities are wholly owned unless otherwise indicated)

Subsidiaries

Matson Logistics, Inc. (a Hawaii Corporation)

Matson Logistics Services, LLC (a Hawaii Limited Liability Company)

Matson Logistics Warehousing, Inc. (a Hawaii Corporation)

Matson Terminals, Inc. (a Hawaii Corporation) (dba Big Island Stevedores)

Matson Logistics (Shanghai) Co., Ltd. (a China Limited Liability Company)

Matson Shipping (Hong Kong) Limited (a Hong Kong Limited Liability Company)

Matson Shipping (Shanghai) Co., Ltd. (a China Limited Liability Company)

Matson Ventures, Inc. (a Hawaii Corporation)

Other Related Entities

SSA Terminals, LLC\*

Inactive Subsidiaries

The Matson Company (a California Corporation)

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\*Partial ownership

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**AMENDED AND RESTATED BYLAWS  
OF  
ALEXANDER & BALDWIN HOLDINGS, INC.  
(as amended through June 4, 2012)**

**ARTICLE I**

**PRINCIPAL OFFICE; AGENT; SEAL**

Section 1.1 Principal and Other Offices. The principal office of the Corporation shall be in Honolulu, Hawaii and other offices of the Corporation may be located in such places within Hawaii or elsewhere as the Board of Directors may designate or as the business of the Corporation may require.

Section 1.2 Registered Agent. The Corporation shall continuously maintain in the State of Hawaii a registered agent as required by law.

Section 1.3 Seal. The Corporation shall have a corporate seal (and one or more duplicates thereof) of such form and device as the Board of Directors shall determine.

**ARTICLE II**

**SHAREHOLDERS**

Section 2.1 Annual Meeting of Shareholders. The Corporation shall hold an annual meeting of shareholders for the purpose of electing directors and transacting such other business as may come before the meeting at a time as shall be fixed by the Board of Directors or the President. The failure to hold an annual meeting at the time fixed in accordance with these bylaws shall not affect the validity of any corporate action.

Section 2.2 Special Meeting of Shareholders.

2.2.1 A special meeting of shareholders shall be held upon the call of the Chairman of the Board, if appointed, the President or a majority of the directors then in office.

2.2.2 Subject to the provisions of this Section 2.2.2 and all other applicable sections of these bylaws, a special meeting of the shareholders shall be called by the Secretary upon written request (a "Special Meeting Request") of one or more record holders of shares of stock of the Corporation representing not less than 10% of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting (the "Requisite Percentage"). The Board of Directors shall determine in good faith whether all requirements set forth in this Section 2.2.2 have been satisfied and such determination shall be binding on the Corporation and its shareholders.

(a) A Special Meeting Request must be delivered by hand or by registered U.S. mail, postage prepaid, return receipt requested, or courier service, postage prepaid, to the attention of the Secretary at the principal executive offices of the Corporation. A Special Meeting Request shall be valid only if it is signed and dated by each shareholder of record submitting the Special Meeting Request and the beneficial owners, if any, on whose behalf the Special Meeting Request is being made, or such shareholder's or beneficial owner's duly authorized agent (each, a "Requesting Shareholder"), and includes (i) in the case of any director nominations proposed to be presented at the special meeting, the information required by Section 3.3.4; (ii) in the case of any matter (other than a director nomination) proposed to be conducted at the special meeting, the information required by Section 2.14.4; (iii) an agreement by the Requesting Shareholders to notify the Corporation promptly in the event of any disposition prior to the record date for the special

meeting of shares of the Corporation owned of record and an acknowledgement that any such disposition shall be deemed to be a revocation of such Special Meeting Request with respect to such disposed shares; and (iv) documentary evidence that the Requesting Shareholders own the Requisite Percentage as of the date on which the Special Meeting Request is delivered to the Secretary; provided, however, that if the Requesting Shareholders are not the beneficial owners of the shares representing the Requisite Percentage, then to be valid, the Special Meeting Request must also include documentary evidence (or, if not simultaneously provided with the Special Meeting Request, such documentary evidence must be delivered to the Secretary within ten (10) days after the date on which the Special Meeting Request is delivered to the Secretary) that the beneficial owners on whose behalf the Special Meeting Request is made beneficially own the Requisite Percentage as of the date on which such Special Meeting Request is delivered to the Secretary. In addition, the Requesting Shareholders and the beneficial owners, if any, on whose behalf the Special Meeting Request is being made shall (x) further update and supplement the information provided in the Special Meeting Request, if necessary, so that the information provided or required to be provided therein shall be true and correct as of the record date for the special meeting, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting and (y) promptly provide any other information reasonably requested by the Corporation.

(b) A Special Meeting Request shall not be valid, and a special meeting requested by shareholders shall not be held, if (i) the Special Meeting Request does not comply with this Section 2.2.2; (ii) the Special Meeting Request relates to an item of business that is not a proper subject for shareholder action under applicable law; (iii) the Special Meeting Request is delivered during the period commencing one hundred twenty (120) days prior to the first anniversary of the date of the immediately preceding annual meeting of shareholders and ending on the earlier of (x) the date of the next annual meeting and (y) thirty (30) days after the first anniversary of the date of the previous annual meeting; (iv) an identical or substantially similar item (as determined in good faith by the Board of Directors, a "Similar Item"), other than the election of directors, was presented at an annual or special meeting of shareholders held not more than twelve (12) months before the Special Meeting Request is delivered; (v) a Similar Item was presented at an annual or special meeting of shareholders held not more than one hundred twenty (120) days before the Special Meeting Request is delivered (and, for purposes of this clause (v), the election of directors shall be deemed to be a "Similar Item" with respect to all items of business involving the election or removal of directors, changing the size of the Board of Directors and the filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors); (vi) a Similar Item is included in the Corporation's notice of meeting as an item of business to be brought before an annual or special meeting of shareholders that has been called but not yet held or that is called for a date within one hundred twenty (120) days of the receipt by the Secretary of a Special Meeting Request; or (vii) the Special Meeting Request was made in a manner that involved a violation of Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or other applicable law.

(c) Special meetings of shareholders called pursuant to this Section 2.2.2 shall be held on such date, and at such time as the Board of Directors shall fix; provided, however, that the special meeting shall not be held more than 120 days after receipt by the Secretary of a valid Special Meeting Request.

(d) The Requesting Shareholders may revoke a Special Meeting Request by written revocation delivered to the Secretary at the principal executive offices of the Corporation at any time prior to the special meeting. If, following such revocation (or deemed revocation pursuant to Section 2.2.2(a)(iii), there are unrevoked requests from Requesting Shareholders holding in the

aggregate less than the Requisite Percentage, the Board of Directors, in its discretion, may cancel the special meeting.

(e) If none of the Requesting Shareholders appear or send a duly authorized agent to present the business to be presented for consideration specified in the Special Meeting Request, the Corporation need not present such business for a vote at the special meeting, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

(f) Business transacted at any special meeting called pursuant to this Section 2.2.2 shall be limited to (i) the purpose(s) stated in the valid Special Meeting Request received from the Requisite Percentage of record holders and (ii) any additional matters that the Board of Directors determines to include in the Corporation's notice of the special meeting.

Section 2.3 Place of Meeting of Shareholders. An annual or special shareholders' meeting may be held at such place, in or out of the State of Hawaii, as may be fixed by the Board of Directors. If no place is fixed, the meeting shall be held at the principal office of the Corporation.

Section 2.4 Meeting of Shareholders Held by Remote Communication. Notwithstanding Section 2.3 of these bylaws, the Board of Directors, in its sole discretion, is authorized to determine that any annual or special meeting of shareholders shall not be held at any place, but may instead be held solely by means of remote communication; provided that the Corporation shall: (a) implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxy of a shareholder; (b) implement reasonable measures to provide shareholders and proxies of shareholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting concurrently with the proceedings; and (c) maintain a record of voting or action by any shareholder or proxy of a shareholder that votes or takes other action at the meeting by means of remote communication. Subject to guidelines and procedures adopted by the Board of Directors, shareholders and proxies of shareholders not physically present at a meeting of shareholders by means of remote communication may participate in the meeting, and be deemed present in person and vote at the meeting whether the meeting is held at a designated place or solely by means of remote communication.

Section 2.5 Notice of Shareholders' Meeting. The Corporation shall notify shareholders of the date, time, and place, if any, of each annual and special shareholders' meeting no fewer than ten (10) nor more than sixty (60) days before the meeting date. Notice of an annual or special meeting shall include a description of the purpose or purposes for which the meeting is called. If a meeting is held solely by means of remote communication, the notice shall also inform shareholders of the means of remote communication by which shareholders may be deemed to be present in person and allowed to vote.

Section 2.6 Quorum and Voting. Except as otherwise provided by the articles of incorporation, these bylaws or law, a quorum at all meetings of shareholders shall consist of the holders of record of a majority of the shares outstanding and entitled to vote thereat, present in person or by proxy. If a quorum exists, action on a matter (other than election of directors) is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the articles of incorporation or the Hawaii Business Corporation Act require a greater number of affirmative votes.

Section 2.7 Record Date. The Board of Directors may fix the record date to determine the shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote, or to take any other action. The record date may be a future date, but may not be more than seventy (70) days before the meeting or action requiring a determination of shareholders. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is

adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 2.8 Shareholders' List for Meeting. After fixing a record date for a meeting, the Corporation shall prepare an alphabetical list of the names of all its shareholders who are entitled to notice of the shareholders' meeting showing the address of and number of shares held by each shareholder. The list shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting for which the list was prepared is given and continuing through the meeting, at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder, the shareholder's agent, or the shareholder's attorney, shall be entitled on written demand to inspect and to copy the list, during regular business hours and at the shareholder's expense, during the period it is available for inspection. The Corporation shall make the shareholders' list available at the meeting, and any shareholder, shareholder's agent, or shareholder's attorney, is entitled to inspect the list at any time during the meeting or any adjournment. Refusal or failure to prepare or make available the shareholders' list does not affect the validity of action taken at the meeting.

Section 2.9 Voting of Shares. Each outstanding share is entitled to one vote on each matter voted on at a shareholders' meeting. Only shares are entitled to vote.

Section 2.10 Proxies. A shareholder may vote the shareholder's shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form. The appointment form shall be signed by either the shareholder personally or by the shareholder's attorney-in-fact. An appointment is valid for eleven (11) months unless a longer period is expressly provided in the appointment form. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. Appointments coupled with an interest include, but are not limited to, the appointment of (a) a pledgee, (b) a person who purchased or agreed to purchase the shares, and (c) a creditor of the Corporation who extended it credit under terms requiring the appointment. An appointment made irrevocable is revoked when the interest with which it is coupled is extinguished.

Section 2.11 Acceptance of Votes. If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the Corporation, acting in good faith, is entitled to accept the vote, consent, waiver, or proxy appointment and to give it effect as the act of the shareholder. Subject to any express limitation on a proxy's authority appearing on the face of the appointment form, the Corporation is entitled to accept the proxy's vote or other action as that of the shareholder making the appointment. The Corporation is entitled to reject a vote, consent, waiver, or proxy appointment if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis to doubt the validity of the signature on the vote, consent, waiver, or proxy appointment or the signatory's authority to sign for the shareholder. The Corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this Section 2.11 are not liable in damages to the shareholder for the consequences of the acceptance or rejection. Corporate action based on the acceptance or rejection of a vote, consent, waiver, or proxy appointment under this Section 2.11 is valid unless a court of competent jurisdiction determines otherwise.

Section 2.12 Election of Directors. Directors shall be elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. There shall be no cumulative voting in the election of directors.

Section 2.13 Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of any meeting of shareholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the

chairman of any meeting of shareholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) rules and procedures for maintaining order at the meeting and the safety of those present; (d) limitations on attendance at or participation in the meeting to shareholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (f) limitations on the time allotted to questions or comments by participants.

#### Section 2.14 Nature of Business at Meetings of Shareholders.

2.14.1 Only such business (other than nominations for election to the Board of Directors, which must comply with the provisions of Section 3.3) may be transacted at an annual meeting of shareholders as is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the annual meeting by any shareholder of the Corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 2.14 and on the record date for the determination of shareholders entitled to notice of and to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 2.14.

2.14.2 In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

2.14.3 To be timely, a shareholder's notice to the Secretary must be delivered to or be mailed and received at the principal executive offices of the Corporation not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In no event shall the adjournment or postponement of an annual meeting, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

2.14.4 To be in proper written form, a shareholder's notice to the Secretary must set forth the following information: (a) as to each matter such shareholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, and (b) as to the shareholder giving notice and the beneficial owner, if any, on whose behalf the proposal is being made, (i) the name and address of such person, (ii) (A) the class or series and number of all shares of stock of the Corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (B) the name of each nominee holder of shares of all stock of the Corporation owned beneficially but not of record by such person or any affiliates or associates of such person, and the number of such shares of stock of the Corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other

transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the Corporation and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the Corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the Corporation, (iii) a description of all agreements, arrangements, or understandings (whether written or oral) between or among such person, or any affiliates or associates of such person, and any other person or persons (including their names) in connection with the proposal of such business and any material interest of such person or any affiliates or associates of such person, in such business, including any anticipated benefit therefrom to such person, or any affiliates or associates of such person, (iv) a representation that the shareholder giving notice intends to appear in person or by proxy at the annual meeting to bring such business before the meeting, and (v) any other information relating to such person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies by such person with respect to the proposed business to be brought by such person before the annual meeting pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

2.14.5 A shareholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.14 shall be true and correct as of the record date for determining the shareholders entitled to receive notice of the annual meeting and such update and supplement shall be delivered to or be mailed and received by the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for determining the shareholders entitled to receive notice of the annual meeting.

2.14.6 No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.14; provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.14 shall be deemed to preclude discussion by any shareholder of any such business. If the chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

2.14.7 Nothing contained in this Section 2.14 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act (or any successor provision of law).

Section 2.15 Action Without Meeting. Action required or permitted to be taken at a shareholders' meeting may be taken without a meeting if the action is taken by all the shareholders entitled to vote on the action. The action shall be evidenced by one or more written consents describing the action taken, signed before or after the intended effective date of the action by all the shareholders entitled to vote on the action, and delivered to the Corporation for inclusion in the minutes or filing with the corporate records, and such consent shall have the effect of a meeting vote and may be described as such in any document. Any copy, facsimile, or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used; provided that the copy, facsimile, or other reproduction shall be a complete reproduction of the entire original writing.



Section 2.16 Adjournment. Any meeting of shareholders, whether annual or special, and whether a quorum be present or not, may be adjourned from time to time by the chairman thereof, with the consent of the holders of a majority of all of the shares of stock present or represented at such meeting, and entitled to vote thereat. If an annual or special shareholders' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment. In addition, if the annual or special shareholders' meeting was held solely by means of remote communication, and the adjourned meeting will be held by a means of remote communication by which shareholders may be deemed to be present in person and vote, notice need not be given of the new means of remote communication if the new means of remote communication is announced at the meeting before adjournment. If a new record date for an adjourned meeting is or must be fixed under Section 2.7, notice of the adjourned meeting shall be given to shareholders who are entitled to notice of the new record date.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 3.1 Duties of the Board of Directors. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, its Board of Directors, subject to any limitation set forth in an agreement approved or signed by all shareholders and otherwise authorized under the Hawaii Business Corporation Act.

Section 3.2 Number, Election, Terms and Qualifications of Directors.

3.2.1 The Board of Directors shall consist of not less than five (5) nor more than twelve (12) individuals, the exact number to be determined from time to time by the Board of Directors. Directors shall hold office until the next annual shareholders' meeting following their election and until their respective successors are elected and qualified.

3.2.2 No person shall be elected as a director at any annual meeting or special meeting who has achieved the age of seventy-two (72) years prior to such annual or special meeting.

3.2.3 Not more than a minority of the directors comprising the minimum number of members of the Board of Directors necessary to constitute a quorum of the Board of Directors (or such other portion thereof as the Board of Directors may determine to be necessary under U.S. Maritime Law (as defined in the articles of incorporation) in order for the Corporation to continue as a U.S. Maritime Corporation (as defined in the articles of incorporation)) shall be Non-U.S. Citizens (as defined in the articles of incorporation), such minority being equal to the greatest whole number that is less than half of the minimum number of directors necessary to constitute a quorum of the Board of Directors.

Section 3.3 Nomination of Directors.

3.3.1 Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any shareholder of the Corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 3.3 and on the record date for the determination of shareholders entitled to notice of and to vote at such annual meeting or special meeting and (ii) who complies with the notice procedures set forth in this Section 3.3.

3.3.2 In addition to any other applicable requirements, for a nomination to be made by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

3.3.3 To be timely, a shareholder's notice to the Secretary must be delivered to or be mailed and received at the principal executive offices of the Corporation (a) in the case of an annual meeting, not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs and (b) in the case of a special meeting of shareholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs. In no event shall the adjournment or postponement of an annual meeting or a special meeting called for the purpose of electing directors, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

3.3.4 To be in proper written form, a shareholder's notice to the Secretary must set forth the following information: (a) as to each person whom the shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) (A) the class or series and number of all shares of stock of the Corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (B) the name of each nominee holder of shares of all stock of the Corporation owned beneficially but not of record by such person or any affiliates or associates of such person, and the number of such shares of stock of the Corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the Corporation and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the Corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the Corporation and (iv) any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; and (b) as to the shareholder giving the notice, and the beneficial owner, if any, on whose behalf the nomination is being made, (i) the name and record address of the shareholder giving the notice and the name and principal place of business of such beneficial owner; (ii) (A) the class or series and number of all shares of stock of the Corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (B) the name of each nominee holder of shares of the Corporation owned beneficially but not of record by such person or any affiliates or associates of such person, and the number of shares of stock of the Corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the Corporation and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the Corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates

of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the Corporation; (iii) a description of all agreements, arrangements, or understandings (whether written or oral) between such person, or any affiliates or associates of such person, and any proposed nominee or any other person or persons (including their names) pursuant to which the nomination(s) are being made by such person, and any material interest of such person, or any affiliates or associates of such person, in such nomination, including any anticipated benefit therefrom to such person, or any affiliates or associates of such person; (iv) a representation that the shareholder giving notice intends to appear in person or by proxy at the annual meeting or special meeting to nominate the persons named in its notice; and (v) any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

3.3.5 A shareholder providing notice of any nomination proposed to be made at an annual meeting or special meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 3.3 shall be true and correct as of the record date for determining the shareholders entitled to receive notice of the annual meeting or special meeting, and such update and supplement shall be delivered to or be mailed and received by the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for determining the shareholders entitled to receive notice of such annual meeting or special meeting.

3.3.6 No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3.3. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 3.4 Resignation of Directors. A director may resign at any time by delivering notice given in writing or by electronic transmission to the Chairman of the Board, if appointed, or the President. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

Section 3.5 Removal of Directors. The shareholders may remove one or more directors with or without cause. A director may be removed by shareholders only at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the director.

Section 3.6 Vacancy on Board. If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, the vacancy may be filled by: (a) the shareholders; (b) the Board of Directors; or (c) the affirmative vote of a majority of all the directors remaining in office if the directors remaining in office constitute fewer than a quorum of the Board of Directors. A vacancy that will occur at a specific later date may be filled before the vacancy occurs but the new director may not take office until the vacancy occurs.

Section 3.7 Meetings of the Board of Directors. A regular meeting of the Board of Directors shall be held without notice other than this bylaw for the purpose of appointing officers and transacting such other business as may come before the meeting immediately after, and at the same place as, the annual meeting of the shareholders. The Board of Directors may hold other regular meetings or special meetings in or out of the State of Hawaii. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the

meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 3.8 Notice of Meeting. Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Special meetings of the Board of Directors must be preceded by at least twenty-four hours' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting. A director may waive any required notice before or after the date and time stated in the notice. The waiver shall be in writing, signed by the director entitled to the notice or by electronic transmission by the director entitled to notice, and filed with the minutes or corporate records; except that a director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting (or promptly upon the director's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 3.9 Action Without Meeting. Action required or permitted to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the Board of Directors. The action shall be evidenced by one or more consents describing the action taken, given either in writing and signed before or after the intended effective date of the action by each director, or by electronic transmission, and included in the minutes or filed with the corporate records reflecting the action taken. In the case of a consent by electronic transmission, the electronic transmission shall set forth or be submitted with information from which it may be determined that the electronic transmission was authorized by the director who sent the electronic transmission. A consent signed or given by electronic transmission under this Section 3.9 has the effect of a meeting vote and may be described as such in any document.

Section 3.10 Quorum and Voting. A quorum of the Board of Directors consists of a majority of the number of directors prescribed, or, if no number is prescribed, the number in office immediately before the meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors. A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (a) the director objects at the beginning of the meeting (or promptly upon the director's arrival) to holding it or transacting business at the meeting, (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting, or (c) the director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 3.11 Expenses and Fees. By resolution of the Board of Directors, such compensation, fees and expenses as the Board of Directors may from time to time determine shall be allowed and paid to directors for services on the board of any committee created by the Board of Directors, provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.12 Committees.

3.12.1 The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee must have two or more members, who serve at the pleasure of the Board of Directors. The creation of a committee and appointment of members to it must be approved by the greater of: (a) a majority of all the directors in office when the action is taken, or (b) the number of directors required to take action under Section 3.10 of these bylaws. Section 3.7 to Section 3.10 of these bylaws which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors, apply to committees and their members as well. Notwithstanding the foregoing, not more than a minority of the directors

comprising the minimum number of members of any committee of the Board of Directors necessary to constitute a quorum of any such committee (or such other portion thereof as the Board of Directors may determine to be necessary under U.S. Maritime Law (as defined in the articles of incorporation) in order for the Corporation to continue as a U.S. Maritime Corporation (as defined in the articles of incorporation)) shall be Non-U.S. Citizens (as defined in the articles of incorporation), such minority being equal to the greatest whole number that is less than half of the minimum number of directors necessary to constitute a quorum of such committee.

3.12.2 To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors, subject to the limitation set forth in Section 414-216(e) of the Hawaii Business Corporation Act.

Section 3.13 Directors' Conflicting Interest Transactions. A director's conflicting interest transaction may not be enjoined, set aside, or give rise to an award of damages or other sanctions, in a proceeding by a shareholder or by or in the right of the Corporation, because the director, or any person with whom or which the director has a personal, economic, or other association, has an interest in the transaction, if: (a) directors' action respecting the transaction was at any time taken in compliance with law; (b) shareholders' action respecting the transaction was at any time taken in compliance with law; or (c) the transaction, judged according to the circumstances at the time of commitment, is established to have been fair to the Corporation.

## ARTICLE IV

### OFFICERS

Section 4.1 Required Officers. The Corporation shall have the officers and assistant officers as shall be appointed from time to time by the Board of Directors or by a duly appointed officer authorized by the Board of Directors to appoint one or more officers or assistant officers. The same individual may simultaneously hold more than one office in the Corporation. One of the officers shall have responsibility for preparation and custody of minutes of the directors' and shareholders' meetings and for authenticating records of the Corporation. Each officer shall have the authority and shall perform the duties prescribed by the Board of Directors or by direction of an officer authorized by the Board of Directors to prescribe the duties of other officers. The officers may include one or more of the following:

4.1.1 Chairman of the Board. The Chairman of the Board, if appointed, shall preside at all meetings of the shareholders and the Board of Directors unless otherwise prescribed by the Board of Directors. The Chairman of the Board, if appointed, shall also exercise such powers and perform such other duties as may be assigned by these bylaws or by resolution of the Board of Directors.

4.1.2 President. The President (in the absence of the Chairman of the Board, if appointed) shall preside at all meetings of the shareholders and the Board of Directors. Unless the Board of Directors shall decide otherwise, the President shall be the chief executive officer of the Corporation and shall have general charge and supervision of the business of the Corporation. The President shall perform other duties as are incident to the President's office or are required of the President by the Board of Directors.

4.1.3 Vice Presidents. In the absence of the Chairman of the Board, if appointed, and the President, the vice president or vice presidents shall, in order designated by the President or the Board of Directors, perform all of the duties of the President. When so acting a vice president shall have all the powers of and be subject to all the restrictions upon the President. The vice president or vice presidents shall have powers and perform other duties as may be prescribed by the President, the Board of Directors or these bylaws.

4.1.4 Secretary. The Secretary shall keep the minutes of all meetings of shareholders, the Board of Directors and committees of the Board of Directors (if any). The Secretary shall give notice in conformity with these bylaws of all meetings of the shareholders and the Board of Directors. In the absence of the President and any vice president, the Secretary shall have the power to call meetings of the shareholders, the Board of Directors and committees of the Board of Directors. The Secretary shall also perform all other duties assigned to the Secretary by the President or the Board of Directors. The assistant secretary or assistant secretaries shall, in the order prescribed by the Board of Directors or the President, perform all the duties and exercise all the powers of the Secretary during the Secretary's absence or disability or whenever the office is vacant. An assistant secretary shall perform all the duties assigned to the assistant secretary or assistant secretaries by the President or the Board of Directors.

4.1.5 Treasurer. The Treasurer shall be the chief financial and accounting officer of the Corporation. The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds and the keeping of corporate financial records. The Treasurer shall perform all other duties assigned to the Treasurer by the President or the Board of Directors. The assistant treasurer or assistant treasurers, shall, in the order prescribed by the Board of Directors or the President, perform all the duties and exercise all the powers of the Treasurer during the Treasurer's absence or disability or whenever the office is vacant. An assistant treasurer shall perform all the duties assigned to the assistant treasurer or assistant treasurers by the President or the Board of Directors.

Section 4.2 Assistant Secretary and Assistant Treasurer. The Assistant Secretary or assistant secretaries and the Assistant Treasurer or assistant treasurers, if appointed, shall, in such order as the Board of Directors may determine, perform all of the duties and exercise all of the powers of the Secretary and Treasurer, respectively, during the absence or disability of, and in the event of a vacancy in the office of, the Secretary or Treasurer, respectively, and shall perform all of the duties assigned to him or them by the President, the Secretary in the case of assistant secretaries, the Treasurer in the case of the assistant treasurers, or the Board of Directors.

Section 4.3 Controller. The Controller shall have custody of and supervise and control the keeping of the accounts and books of the Corporation, and shall develop records and procedures for control of costs; maintain proper tax records and supervise the preparation of tax returns, develop procedures for internal auditing and maintain proper relationships with the external auditors designated by the shareholders; administer programs relating to capital expenditure and operating budgets, prepare the financial statements of the Company, and perform such other duties as the President may from time to time determine.

Section 4.4 Resignation of Officers. An officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date.

Section 4.5 Removal of Officers. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby, but the removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4.6 Citizenship Requirements. The Chairman of the Board, if appointed, and the Chief Executive Officer of the Corporation, by whatever title, shall each be a U.S. Citizen (as defined in the articles of incorporation).

## ARTICLE V

### VOTING OF STOCK BY THE CORPORATION

Section 5.1 In all cases where the Corporation owns, holds, or represents under power of attorney or by proxy or in any other representative capacity shares of capital stock of any corporation or shares or interests in business trusts, co-partnerships, or other associations, such shares or interest shall be represented or voted in person or by proxy by the Chairman of the Board (if also Chief Executive Officer) or in the absence of the Chairman of the Board (or if such person is not also Chief Executive Officer) by the President, or in his absence by the Vice President, or if there be more than one vice president present, then by such vice president as the Board of Directors shall have designated as Executive Vice President, or failing any such designation, by any vice president, or in the absence of any vice president, by the Treasurer, or in his absence, by the Secretary; provided, however, that any person specifically appointed by the Board of Directors for the purpose shall have the right and authority to represent and vote such shares or interests with precedence over all of the above-named.

## ARTICLE VI

### CAPITAL STOCK

#### Section 6.1 Form and Content of Certificates.

6.1.1 The certificates of any class of stock of the Corporation shall be in such form and of such device as the Board of Directors may, from time to time, determine, including uncertificated shares. The rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificated shares of the same class and series shall be identical. Every share certificate shall be signed by the Chairman of the Board, if appointed, or the President or a vice president and by the Treasurer or the Secretary or an assistant treasurer or assistant secretary and shall bear the corporate seal, provided, however, that the Board of Directors in its discretion may provide that any certificate which shall be signed by a transfer agent or by a registrar may be sealed with only the facsimile seal of the Corporation and may be signed with only the facsimile signatures of the officers above designated. In case any officer who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such officer before such certificate is issued, such certificate may, nevertheless, be issued with the same effect as if such officer had not ceased to be such at the date of its issue. Certificates shall not be issued for nor shall there be registered any transfer of any fraction of a share. In the event that fractional parts of or interests in any share shall result in any manner from any action by the stockholders or directors of the Corporation, the Treasurer may sell the aggregate of such fractional interests under such reasonable terms and conditions as the Treasurer shall determine subject, however, to the control of the Board of Directors, and distribute the proceeds thereof to the person or persons entitled thereto.

6.1.2 At a minimum any share certificate shall include the legend set forth in Section 7.3 of the articles of incorporation and shall state on its face: (a) the name of the Corporation and that it is organized under the law of the State of Hawaii; (b) the name of the person to whom issued; and (c) the number and class of shares the certificate represents. The Corporation shall send a notice, which shall include the legend set forth in Section 7.3 of the articles of incorporation, to each holder of uncertificated shares.

Section 6.2 Holder of Record. The Corporation shall be entitled to treat the person whose name appears on the stock books of the Corporation as the owner of any share, as the absolute owner thereof for all purposes, and shall not be under any obligation to recognize any trust or equity or equitable claim to or interest in such share, whether or not the Corporation shall have actual or other notice thereof.

Section 6.3 Transfer of Stock. Transfer of stock may be made in any manner permitted by law, but no transfer shall be valid (except between the parties thereto) until the transfer shall have been duly recorded in the stock books of the Corporation and a new certificate or evidence of uncertificated shares are issued. No transfer shall be entered in the stock books of the Corporation, nor shall any new certificate be issued until the old certificate, properly endorsed, shall be surrendered and canceled or proper transfer instructions are received from the holder of uncertificated shares.

Section 6.4 Closing of Transfer Books. The Board of Directors shall have power for any corporate purpose from time to time to close the stock transfer books of the Corporation for a period not exceeding thirty (30) consecutive business days, provided, however, that in lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix a record date for the payment of any dividend or for the allotment of rights or for the effective date of any change, conversion or exchange of capital stock or in connection with obtaining the consent of stockholders in any matter requiring their consent or for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders, and in any such case, only such stockholders as shall be stockholders of record on the record date so fixed shall be entitled to the rights, benefits and privileges incident to ownership of the shares of stock for which such record date has been fixed, notwithstanding any transfer of stock on the books of the corporation after such record date.

Section 6.5 Lost Certificates. The Board of Directors may adopt rules and regulations respecting replacement of lost, destroyed or mutilated certificates. Subject to those rules or otherwise if no rules are adopted, the Board of Directors may order a new share certificate to be issued in the place of any share certificate alleged to have been lost, destroyed, or mutilated. In every such case, the owner of the lost, destroyed, or mutilated certificate shall be required to file with the Board of Directors sworn evidence showing the facts connected with the loss or destruction. Unless the Board of Directors shall otherwise direct, the owner of the lost or destroyed certificate shall be required to give to the Corporation a bond or undertaking in such sum, in such form, and with such surety or sureties as the Board of Directors may approve, to indemnify the Corporation against any loss, damage or liability that the Corporation may incur by reason of the issuance of a new certificate. Any new certificate issued in the place of any lost, destroyed, or mutilated certificate shall bear the notation "Issued for Lost Certificate No. .". Nothing in this Section contained shall impair the right of the Board of Directors, in its discretion, to refuse to replace any allegedly lost or destroyed certificate, save upon the order of the court having jurisdiction in the matter.

Section 6.6 Stock Rights and Options. The Corporation may create and issue, whether or not in connection with the issuance and sale of any of its shares or other securities, rights or options entitling the holders thereof to purchase from the Corporation shares of any class or classes. Such rights or options shall be evidenced in such manner as the Board shall approve and, subject to the provisions of the articles of incorporation, shall set forth the terms upon which, the time or times within which, and the price or prices at which, such shares may be purchased from the Corporation upon the exercise of any right or option. The documents evidencing such rights or options may include conditions on the exercise of such rights or options, including conditions that preclude the holder or holders, including any subsequent transferees, of at least a specified percentage of the common stock of the Corporation from exercising such rights or options. No approval by the shareholders of the Corporation shall be required for the issuance of such rights or options to directors, officers or employees of the Corporation or any subsidiary, or to the stockholders.

Section 6.7 Dividend Record Date. In order that the Corporation may determine the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record



date is fixed, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

## **ARTICLE VII**

### **MISCELLANEOUS PROVISIONS**

Section 7.1 Proper Officers. Except as hereinafter provided, or as required by law, all checks, notes, bonds, acceptances or other financial instruments, deeds, leases, contracts, licenses, endorsements, stock powers, powers of attorney, proxies, waivers, consents, returns, reports, applications, notices, mortgages and other instruments or writings of any nature which require execution on behalf of the Corporation may be signed by any one officer. However, the Board of Directors may authorize any documents, instruments or writings to be signed by any agents or employees of the Corporation or any one of them in such manner as the Board of Directors may determine from time to time.

Section 7.2 Facsimile Signatures. The Board of Directors may by resolution provide for the execution of checks, warrants, drafts and other orders for the payment of money by a mechanical device or machine or by the use of facsimile signatures under such terms and conditions as shall be set forth in the resolution.

Section 7.3 Notice by Electronic Transmission.

7.3.1 Without limiting the manner by which notice otherwise may be given to shareholders, notice to shareholders given by the Corporation shall be effective if provided by electronic transmission consented to by the shareholder to whom the notice is given. Any consent shall be revocable by the shareholder by written notice to the Corporation. Any consent shall be deemed revoked if: (a) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices given by the Corporation in accordance with such consent; and (b) the inability to deliver becomes known to the Secretary or an assistant secretary of the Corporation, to the transfer agent, or other person responsible for giving notice; provided that the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

7.3.2 Notice given pursuant to Section 7.3.1 of these bylaws shall be deemed given: (a) if by facsimile telecommunication, when directed to a number at which the shareholder has consented to receive notice; (b) if by electronic mail, when directed to an electronic mail address at which the shareholder has consented to receive notice; (c) if by a posting on an electronic network together with separate notice to the shareholder of such specific posting, upon the later of the posting and the giving of such separate notice; and (d) if by any other form of electronic transmission, when directed to the shareholder.

Section 7.4 Shareholder Registration Book. The Corporation shall keep a book for registering the names of all shareholders, showing the number of shares of stock held by them, and the time when they became the owners of the shares. The book shall be open at all reasonable times for the inspection of the shareholders. The Secretary of the Corporation or the person having the charge of the book shall give a certified transcript of anything therein contained to any shareholder applying therefore; provided that the shareholder pays a reasonable charge for the preparation of the certified transcript.

## **ARTICLE VIII**

### **AMENDMENTS OF BYLAWS**

Section 8.1 These bylaws may be amended or repealed in accordance with Article VIII of the articles of incorporation.

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**TRANSITION SERVICES AGREEMENT**

by and between

**ALEXANDER & BALDWIN HOLDINGS, INC.**

and

**A & B II, INC.**

dated as of

**June 8, 2012**

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**TRANSITION SERVICES AGREEMENT**

THIS TRANSITION SERVICES AGREEMENT (this "Agreement") is entered into as of June 8, 2012, by and between Alexander & Baldwin Holdings, Inc., a Hawaii corporation ("Holdings"), and A & B II, Inc., a Hawaii corporation and a direct, wholly owned subsidiary of Holdings ("New A&B"). Holdings and New A&B are sometimes referred to herein individually as a "Party," and collectively as the "Parties."

**RECITALS**

WHEREAS, Holdings, acting through its direct and indirect Subsidiaries, owns and conducts the A&B Businesses and the Matson Businesses;

WHEREAS, Holdings and New A&B entered into a Separation and Distribution Agreement, dated as of the date hereof (the "Separation Agreement"), pursuant to which Holdings will be separated into two independent publicly traded companies: (a) New A&B which, following consummation of the transactions contemplated by the Separation Agreement, will own and conduct the A&B Businesses and (b) Holdings which, following the consummation of the transactions contemplated by the Separation Agreement, will own and conduct the Matson Businesses;

WHEREAS, the execution of this Agreement by the Parties is a condition precedent to the consummation of the transactions contemplated by the Separation Agreement; and

WHEREAS, except as otherwise defined herein, capitalized terms used in this Agreement shall have the same meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the forgoing and the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**ARTICLE I**

**DEFINITIONS**

Section 1.1 Certain Definitions. As used in this Agreement (including in the Exhibits to this Agreement):

“A&B Services” means the Services identified on Exhibit A.

“Additional A&B Services” has the meaning set forth in Section 2.3(b).

“Additional Matson Services” has the meaning set forth in Section 2.3(a).

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“Additional Third-Party Providers” has the meaning set forth in Section 2.6(b).

“Adjusted Hourly Rate” for an employee means such employee’s Hourly Rate multiplied by 1.10.

“Agreement” has the meaning set forth in the preamble to this Agreement.

“GET” has the meaning set forth in Section 3.2.

“Hourly Rate” for an employee during a given pay period means such employee’s salary and fully burdened benefits for such pay period divided by the number of hours in such pay period assuming no holidays or other work absences occur during such pay period.

“Known Third-Party Providers” has the meaning set forth in Section 2.6(b).

“Matson Services” means the Services identified on Exhibit B.

“Party” or “Parties” has the meaning set forth in the preamble to this Agreement.

“Providing Party” means, with respect to a Service, the Party providing such Service pursuant to this Agreement.

“Receiving Party” means, with respect to a Service, the Party receiving such Service pursuant to this Agreement.

“Security Regulations” has the meaning set forth in Section 8.2(a).

“Service Coordinator” has the meaning set forth in Section 2.10.

“Services” means the A&B Services or the Matson Services, individually, or the A&B Services and the Matson Services, collectively, as the context may require.

“Systems” has the meaning set forth in Section 8.2(a).

“Term” has the meaning set forth in Section 7.2.

“Third-Party Products and Services” has the meaning set forth in Section 2.6(a).

“Third-Party Providers” has the meaning set forth in Section 2.6(a).

Section 1.2 Interpretation. In this Agreement, unless the context clearly indicates otherwise:

- (a) words used in the singular include the plural and words used in the plural include the singular;
- (b) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;

- (c) the word “or” shall have the inclusive meaning represented by the phrase “and/or”;

(d) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including”;

(e) accounting terms used herein shall have the meanings historically ascribed to them by Holdings and its Subsidiaries, including A&B and Matson, in its and their internal accounting and financial policies and procedures in effect immediately prior to the date of this Agreement;

(f) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(g) reference to any Law means such Law (including any and all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(h) references to any Person include such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; a reference to such Person’s “Subsidiaries” shall be deemed to mean such Person’s Subsidiaries following the Distribution and any reference to a third party shall be deemed to mean a Person who is not a Party or a Subsidiary of a Party;

(i) if there is any conflict between the provisions of the main body of this Agreement and the Exhibits hereto, the provisions of the main body of this Agreement shall control unless explicitly stated otherwise in such Exhibit;

(j) if there is any conflict between the provisions of this Agreement and the Separation Agreement, the provisions of this Agreement shall control (but only with respect to the subject matter hereof) unless explicitly stated otherwise herein; and

(k) any portion of this Agreement obligating a Party to take any action or refrain from taking any action, as the case may be, shall mean that such Party shall also be obligated to cause its relevant Subsidiaries to take such action or refrain from taking such action, as the case may be.

## ARTICLE II

### SERVICES

Section 2.1 A&B Services. New A&B shall use reasonable best efforts to provide (or to cause another applicable member of the A&B Group to provide) to Holdings (or another applicable member of the Matson Group) each A&B Service in a manner consistent with the manner in which such A&B Service (a) was provided to Holdings (or such other applicable

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member of the Matson Group) prior to the Distribution Date by (i) New A&B (or such other applicable member of the A&B Group) or (ii) any Person who was an employee of Holdings prior to the Distribution Date who becomes an employee of New A&B (or another member of the A&B Group) after the Distribution Date and (b) is provided after the Distribution Date by New A&B (or such other applicable member of the A&B Group) for its own business.

Section 2.2 Matson Services. Holdings shall use reasonable best efforts to provide (or to cause another applicable member of the Matson Group to provide) to New A&B (or another applicable member of the A&B Group) each Matson Service in a manner consistent with the manner in which such Matson Service (a) was provided to New A&B (or such other applicable member of the A&B Group) prior to the Distribution Date by Holdings (or such other applicable member of the Matson Group) and (b) is provided after the Distribution Date by Holdings (or such other applicable member of the Matson Group) for its own business.

Section 2.3 Additional Service.

(a) If New A&B reasonably determines that additional transition services (not listed on Exhibit B) are necessary to conduct the A&B Businesses after the Distribution Date, then New A&B shall provide written notice thereof to Holdings. If any member of the Matson Group (including any employee of any member of the Matson Group) performed such services for Holdings prior to the Distribution Date ("Additional Matson Services"), the Parties will negotiate in good faith an amendment to Exhibit B setting forth the Additional Matson Services and the terms and conditions (including the fees payable by New A&B) for such Additional Matson Services unless such member of the Matson Group is not reasonably able to perform such Additional Matson Services.

(b) If Holdings reasonably determines that additional transition services (not listed on Exhibit A) are necessary to conduct the Matson Businesses after the Distribution Date, then Holdings shall provide written notice thereof to New A&B. If any member of the A&B Group (or any employee of any member of the A&B Group) performed such services for Holdings prior to the Distribution Date ("Additional A&B Services"), the Parties will negotiate in good faith an amendment to Exhibit A setting forth the Additional A&B Services and the terms and conditions (including the fees payable by Holdings) for such Additional A&B Services unless such member of the A&B Group is not reasonably able to perform such Additional A&B Services.

Section 2.4 Modifications to Services. Either Party, in its capacity as the Providing Party or the Receiving Party, may provide written notice of proposed modifications to the A&B Services or Matson Services, as applicable, to the other Party. Upon receipt of such notice, the Parties will negotiate in good faith an amendment to Exhibit A or Exhibit B, as applicable, setting forth such modifications to the Services.

Section 2.5 No Violations. Notwithstanding anything to the contrary in this Agreement, neither Party (nor any member of its respective Group) shall be required to perform Services hereunder or to take any actions relating thereto that conflict with or violate any applicable Law or any material contract, license, sublicense, authorization, certification or permit.

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Section 2.6 Third-Party Providers.

(a) Each Party shall use reasonable best efforts to obtain any required consents of the providers ("Third-Party Providers") of any products or services required to be used in providing any Services pursuant to this Agreement ("Third-Party Products and Services"). The Parties understand and agree that provision of any Services requiring the use of any Third-Party Products and Services shall be subject to receipt of any required consents of the applicable Third-Party Providers.

(b) With respect to each Service, (i) the Receiving Party hereby consents to the Providing Party's use of any Third-Party Provider(s) named in Exhibit A or Exhibit B, as applicable, with respect to such Service ("Known Third-Party Providers") and (ii) if, after the date of this Agreement, a Providing Party reasonably determines that it requires the use of Third-Party Providers in addition to the Known Third-Party Providers ("Additional Third-Party Providers") in providing such Service, the use of such Additional Third-Party Providers shall require the written consent of the Receiving Party's Service Coordinator, such consent not to be unreasonably withheld or delayed.

Section 2.7 Independent Contractor. A Providing Party (and each applicable member of the Providing Party's Group) shall act under this Agreement solely as an independent contractor, and not as an agent, of the Receiving Party (and each applicable member of the Receiving Party's Group).

Section 2.8 Employees and Representatives. Unless otherwise agreed in writing, each employee and representative of a Providing Party (or a member of the Providing Party's Group) that provides Services to the Receiving Party (or a member of the Receiving Party's Group) pursuant to

this Agreement shall (a) be deemed for all purposes to be an employee or representative of the Providing Party (or such member of the Providing Party's Group) and not an employee or representative of the Receiving Party (or such member of the Receiving Party's Group) and (b) be under the direction, control and supervision of the Providing Party (or such member of the Providing Party's Group) and such Providing Party (or such member of the Providing Party's Group) shall have the sole right to exercise all authority with respect to the employment (including termination of employment), assignment and compensation of such employee or representative.

Section 2.9 Access. A Receiving Party shall provide (or cause any applicable member of the Receiving Party's Group to provide) reasonable access to the Providing Party (or any applicable member of the Providing Party's Group) to the employees, representatives, facilities and books and records of the Receiving Party (or such member of the Receiving Party's Group) as the Providing Party (or such member of such Providing Party's Group) shall reasonably request in order to enable the Providing Party (or such member of the Providing Party's Group) to provide any Service required under this Agreement.

Section 2.10 Service Coordinators; Disputes. Each Party shall appoint a representative to act as the primary contact with respect to the provision of the Services (each such person, a "Service Coordinator"). The initial Service Coordinator for New A&B shall be Paul K. Ito and the initial Service Coordinator for Holdings shall be Joel Wine. The Service

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Coordinators shall meet as expeditiously as possible to resolve any dispute under this Agreement (including, but not limited to, any disputes relating to payments under Article III) and any dispute that is not resolved by the Service Coordinators within twenty (20) days shall be deemed an Agreement Dispute under the Separation Agreement and shall be resolved in accordance with the dispute resolution procedures set forth in Article X of the Separation Agreement. Each Party may treat an act of the other Party's Service Coordinator as being authorized by such other Party without inquiring whether such Service Coordinator had authority to so act; provided, however, that no Service Coordinator shall have authority to amend this Agreement. Each Party shall advise the other Party promptly in writing of any change in its respective Service Coordinator, setting forth the name of the replacement, and stating that the replacement Service Coordinator is authorized to act for such Party in accordance with this Section 2.10.

### ARTICLE III

#### PAYMENT

Section 3.1 Pricing. Each A&B Service provided by New A&B (or another applicable member of the A&B Group) shall be charged to and payable by Holdings at the fees for such A&B Service determined in accordance with Exhibit A. Each Matson Service provided by Holdings (or another applicable member of the Matson Group) shall be charged to and payable by New A&B at the fees for such Matson Service determined in accordance with Exhibit B.

Section 3.2 Taxes. The Parties acknowledge that fees charged for Services may be subject to the Hawaii General Excise Tax ("GET") or other applicable sales or equivalent taxes. With respect to each Service provided under this Agreement (a) the Providing Party shall be liable for reporting and paying the GET or any other applicable taxes imposed on fees received for providing such Service and (b) the Receiving Party shall reimburse the Providing Party for the amount of such taxes paid on fees received for providing such Service. Each Receiving Party shall be liable for any applicable use taxes imposed on Services received.

Section 3.3 Billing and Payment. Charges for each Service provided shall be billed on a monthly basis and shall be payable within thirty (30) calendar days after receipt of such monthly billing charge. The Parties may mutually agree to aggregate and offset invoices on a monthly basis.

Section 3.4 Budgeting and Accounting. Upon reasonable request, each Party will cooperate with the other Party with respect to budgeting and accounting matters relating to the A&B Services and the Matson Services, as applicable.

### ARTICLE IV

#### DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

Section 4.1 DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 2.1 AND SECTION 2.2 (AS APPLICABLE), EACH PARTY ACKNOWLEDGES

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AND AGREES THAT THE OTHER PARTY (AND EACH APPLICABLE MEMBER OF SUCH OTHER PARTY'S GROUP) MAKES NO REPRESENTATIONS OR WARRANTIES (INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) OR GUARANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY SERVICES PROVIDED HEREUNDER.

Section 4.2 AS IS; WHERE IS. Except as expressly set forth in this Agreement, the Services (and any related products) to be provided under this Agreement are furnished as is, where is, with all faults.

### ARTICLE V

#### RELEASE AND INDEMNIFICATION

Section 5.1 Release and Indemnification by New A&B. New A&B (on behalf of itself and each other member of the A&B Group) hereby releases the Matson Indemnitees and agrees, to the fullest extent permitted by Law, to indemnify, defend and hold harmless the Matson Indemnitees from and against all Losses relating to, arising out of or resulting from the provision or use of any Matson Services hereunder to the extent not arising from the gross negligence or willful misconduct of any member of the Matson Group.

Section 5.2 Release and Indemnification by Holdings. Holdings (on behalf of itself and each other member of the Matson Group) hereby releases the A&B Indemnitees and agrees, to the fullest extent permitted by Law, to indemnify, defend and hold harmless the A&B Indemnitees from and against all Losses relating to, arising out of or resulting from the provision or use of any A&B Services hereunder to the extent not arising from the gross negligence or willful misconduct of any member of the A&B Group.

Section 5.3 Indemnification Procedure; Other Rights and Limitations. All claims for indemnification pursuant to Section 5.1 or Section 5.2 shall be made in accordance with the procedures set forth in Section 9.4 of the Separation Agreement and shall be subject to Sections 9.5 through 9.10 of the Separation Agreement.

## ARTICLE VI

### FORCE MAJEURE

Section 6.1 General. If a Providing Party (or any member of the Providing Party's Group) is prevented from or delayed in complying, in whole or in part, with any of the terms or provisions of this Agreement by reason of fire, flood, storm, earthquake, strike, walkout, lockout or other labor trouble or shortage, delays by unaffiliated suppliers or carriers, shortages of fuel, power, raw materials or components, equipment failure, any law, order, proclamation, regulation, ordinance, demand, seizure or requirement of any Governmental Authority, riot, civil commotion, war, rebellion, act of terrorism, nuclear or other accident, explosion, casualty, pandemic, act of God, or act, omission or delay in acting by any Governmental Authority or by the Receiving Party (or any member of the Receiving Party's Group) or any other cause, whether

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or not of a class or kind listed in this sentence, which is beyond the reasonable control of the Providing Party (or any other applicable member of the Providing Party's Group), then upon notice to the Receiving Party pursuant to Section 6.2, the affected provisions and/or other requirements of this Agreement shall be suspended during the period of such disability and, unless otherwise set forth herein to the contrary, the Providing Party (and any applicable member of the Providing Party's Group) shall have no liability to the Receiving Party (or any member of the Receiving Party's Group) in connection therewith.

Section 6.2 Notice. Upon becoming aware of a disability causing a delay in the performance or preventing performance of any Services to be provided by a Providing Party (or another member of the Providing Party's Group) under this Agreement, the Providing Party shall promptly notify the Receiving Party in writing of the existence of such disability and the anticipated duration of the disability.

Section 6.3 Subcontractors; Fees. A Receiving Party shall have the right, but not the obligation, to engage subcontractors to perform the Services affected by the disability for the duration of the period during which such disability delays or prevents the performance of such Services by the Providing Party, it being agreed that the fees paid or payable under this Agreement with respect to the Services affected by the disability shall be reduced (or refunded, if applicable) on a dollar-for-dollar basis for all amounts paid by the Receiving Party to such subcontractors, provided, that the Providing Party shall not be responsible for the amount of fees charged by any such subcontractors to perform such Services to the extent they exceed the fees payable under this Agreement for such Services.

Section 6.4 Limitations. Each Party shall use reasonable best efforts to promptly remove any disability under Section 6.1 as soon as possible; provided, however, that nothing in this Article VI will be construed to require the settlement of any lawsuit or other legal proceeding, strike, walkout, lockout or other labor dispute on terms which, in the reasonable judgment of the affected Party, are contrary to its interest. It is understood that the settlement of a lawsuit or other legal proceeding, strike, walkout, lockout or other labor dispute will be entirely within the discretion of the affected Party.

## ARTICLE VII

### TERM

Section 7.1 Term of Services. Subject to the penultimate sentence of Section 7.2, (a) each A&B Service shall be provided for the term specified in Exhibit A and (b) each Matson Service shall be provided for the term specified in Exhibit B; provided, however, a Receiving Party shall have the right to terminate one or more of the Services that such Party receives under this Agreement at the end of a designated month by giving the Providing Party at least thirty (30) days' prior written notice of such termination. Except as otherwise agreed, each Service may only be terminated in whole, and partial termination of a Service shall not be permitted without the prior approval of the Providing Party, such approval not to be unreasonably withheld or delayed. The Parties shall cooperate with each other in good faith in their efforts to reasonably effect early termination of Services, including, where applicable, partial termination, and to agree in good faith upon appropriate reduction of the charges hereunder in connection with such early termination.

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Section 7.2 Term of Agreement. This Agreement shall terminate upon the earlier of (a) the cessation of all Services pursuant to Section 7.1 or (b) the second anniversary of the Distribution Date; provided, however, that Articles III, IV, V and VIII shall survive the termination of this Agreement and any such termination shall not affect any obligation for payment for Services rendered prior to termination. Notwithstanding the foregoing, the Parties each reserve the right to immediately terminate this Agreement by written notice to the other Party in the event that such other Party shall have (a) applied for or consented to the appointment of a receiver, trustee or liquidator; (b) admitted in writing an inability to pay debts as they mature; (c) made a general assignment for the benefit of creditors; or (d) filed a voluntary petition, or have filed against it a petition, for an order of relief under the Federal Bankruptcy Code (as amended). The period from the Distribution Date to the date of termination of this Agreement in accordance with this Section 7.2 is referred to as the "Term."

## ARTICLE VIII

### CONFIDENTIALITY

Section 8.1 Confidentiality. Each Party agrees that the specific terms and conditions of this Agreement and any information conveyed or otherwise received by or on behalf of a Party in conjunction herewith shall be Confidential Information subject to the confidentiality provisions



(and exceptions thereto) set forth in Section 8.7 of the Separation Agreement.

Section 8.2     System Security.

(a)     If a Providing Party (or a member of the Providing Party's Group) is given access to the computer systems or software (collectively, "Systems") of the Receiving Party (or a member of the Receiving Party's Group) in connection with the provision of a Service, the Providing Party shall comply (or cause such member of the Providing Party's Group to comply) with all of the system security policies, procedures and requirements (collectively, "Security Regulations") of the Receiving Party (or such member of the Receiving Party's Group), and shall not (or shall cause such member of the Providing Party's Group not to) tamper with, compromise or circumvent any security or audit measures employed by the Receiving Party (or such member of the Receiving Party's Group). The Providing Party shall (or shall cause such member of the Providing Party's Group) to access and use only those Systems of the Receiving Party (or such member of the Receiving Party's Group) for which it has been granted the right to access and use.

(b)     The Providing Party shall use reasonable best efforts to ensure that only those of its personnel (or the personnel of such member of the Providing Party's Group) who are specifically authorized to have access to the Systems of the Receiving Party (or such member of the Receiving Party's Group) gain such access, and use reasonable best efforts to prevent unauthorized access, use, destruction, alteration or loss of information contained therein, including notifying its personnel (or the personnel of such member of its Group) of the restrictions set forth in this Agreement and of the Security Regulations.

**ARTICLE IX**

**MISCELLANEOUS**

Section 9.1     Further Assurances. Subject to the limitations or other provisions of this Agreement, (a) each Party shall, and shall cause the other members of its Group to, use reasonable best efforts (subject to, and in accordance with applicable Law) to take promptly, or cause to be taken promptly, all actions, and to do promptly, or cause to be done promptly, and to assist and cooperate with the other Party in doing, all things reasonably necessary, proper or advisable to carry out the intent and purposes of this Agreement, including using reasonable best efforts to perform all covenants and agreements herein applicable to such Party or any member of its Group and (b) neither Party will, nor will either Party allow any other member of its Group to, without the prior written consent of the other Party, take any action which would reasonably be expected to prevent or materially impede, interfere with or delay the provision of any Services hereunder during the Term. Without limiting the generality of the foregoing, where the cooperation of third parties would be necessary in order for a Party to completely fulfill its obligations under this Agreement, such Party shall use reasonable best efforts to cause such third parties to provide such cooperation.

Section 9.2     Amendments and Waivers.

(a)     This Agreement may not be amended except by an agreement in writing signed by both Parties.

(b)     Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the Party entitled to the benefit thereof and any such waiver shall be validly and sufficiently given for the purposes of this Agreement if it is in writing signed by an authorized representative of such Party. No delay or failure in exercising any right, power or remedy hereunder shall affect or operate as a waiver thereof; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that either Party would otherwise have.

Section 9.3     Late Payments. Except as expressly provided to the contrary in this Agreement, any amount not paid when due pursuant to this Agreement shall accrue interest at a rate per annum equal to 12%.

Section 9.4     Entire Agreement. This Agreement, the Separation Agreement and the Exhibits referenced herein and therein and attached hereto or thereto, constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersede all prior negotiations, agreements, commitments, writings, courses of dealing and understandings with respect to the subject matter hereof.

Section 9.5     Third-Party Beneficiaries. Except as provided in Article V relating to Indemnitees, this Agreement is solely for the benefit of the Parties and shall not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 9.6     Notices. All notices, requests, permissions, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) five (5) Business Days following sending by registered or certified mail, postage prepaid, (b) when sent, if sent by facsimile, provided, that the facsimile transmission is promptly confirmed and any facsimile transmission received after 5:00 p.m. Hawaii-Aleutian Standard time shall be deemed received at 9:00 a.m. Hawaii-Aleutian Standard time on the following Business Day, (c) when delivered, if delivered personally to the intended recipient and (d) one (1) Business Day following sending by overnight delivery via a national courier service and, in each case, addressed to a Party at the following address for such Party:

(a)     If to Holdings:

Matson, Inc.  
1411 Sand Island Parkway  
Honolulu, HI 96803  
Attention: Chief Legal Officer  
Fax: 808-842-6048

and

Matson, Inc.  
555 12<sup>th</sup> Street  
Oakland, CA 94607  
Attention: Chief Legal Officer  
Fax: 510-628-7331

(b) If to New A&B:

Alexander & Baldwin, Inc.  
822 Bishop Street  
Honolulu, HI 96813  
Attention: Chief Legal Officer  
Fax: 808-525-6652

Section 9.7 Counterparts; Electronic Delivery. This Agreement may be executed in multiple counterparts, each of which when executed shall be deemed to be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Agreement or any other documents pursuant to this Agreement by facsimile or other electronic means shall be deemed to be, and shall have the same legal effect as, execution by an original signature and delivery in person.

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Section 9.8 Severability. If any term or other provision of this Agreement or the Exhibits attached hereto is determined by a nonappealable decision by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the court, administrative agency or arbitrator shall interpret this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible. If any sentence in this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

Section 9.9 Assignability; Binding Effect. This Agreement is not assignable by either Party without the prior written consent of the other Party and any attempt to assign this Agreement without such consent shall be void and of no effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 9.10 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Hawaii, without regard to any conflicts of law provisions thereof that would result in the application of the laws of any other jurisdiction.

Section 9.11 Construction. This Agreement shall be construed as if jointly drafted by the Parties and no rule of construction or strict interpretation shall be applied against either Party. The Parties represent that this Agreement is entered into with full consideration of any and all rights which the Parties may have. The Parties have relied upon their own knowledge and judgment and upon the advice of the attorneys of their choosing. The Parties have had access to independent legal advice, have conducted such investigations they and their counsel thought appropriate, and have consulted with such other independent advisors as they and their counsel deemed appropriate regarding this Agreement and their rights and asserted rights in connection therewith. The Parties are not relying upon any representations or statements made by the other Party, or such other Party's employees, agents, representatives or attorneys, regarding this Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement. The Parties are not relying upon a legal duty, if one exists, on the part of the other Party (or such other Party's employees, agents, representatives or attorneys) to disclose any information in connection with the execution of this Agreement or its preparation, it being expressly understood that neither Party shall ever assert any failure to disclose information on the part of the other Party as a ground for challenging this Agreement.

Section 9.12 Performance. Each Party shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary or Affiliate of such Party.

Section 9.13 Title and Headings. Titles and headings to Sections and Articles are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

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Section 9.14 Exhibits. The Exhibits attached hereto are incorporated herein by reference and shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

[Signature Page Follows]

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their authorized representatives as of the date first above written.

ALEXANDER & BALDWIN HOLDINGS, INC.

By: /s/ Joel M. Wine  
Name: Joel M. Wine  
Title: Senior Vice President, Chief Financial Officer and Treasurer

A & B II, INC.

By: /s/ Stanley M. Kuriyama  
Name: Stanley M. Kuriyama  
Title: President and Chief Executive Officer

[Signature Page to Transition Services Agreement]

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## EXHIBIT A

### A&B SERVICES

New A&B agrees to provide (or to cause another applicable member of the A&B Group to provide) to Holdings (or another applicable member of the Matson Group) the following services (the "A&B Services").

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#### Human Resource Services

1. Services. The human resource services to be provided by New A&B to Holdings (the "HR Services") are as follows:
  - a. Administer the existing contract with Hawaii Medical Service Association (the "HMSA Contract").
  - b. Administer the existing contract with Hawaii Dental Service (the "HDS Contract").
  - c. Administer open enrollment using the Aliquant system (the "Aliquant Services").
  - d. Provide defined benefit administration, including support of regulatory filings, annual funding notices via Buck Consultants for distribution to Matson, audit support, review of forms and pension calculations and interfacing with Trucker Huss and Buck Consultants (the "DB Services").
  - e. Prepare Medicare Part D filing, including allocating rebates to New A&B and Holdings and year-end reconciliations (the "Medicare Services") for the 2012 plan year, pursuant to Item 2.e. below. For the avoidance of doubt, any rebates with respect to New A&B employees will be allocated to New A&B and any rebates with respect to Holdings employees will be allocated to Holdings.
  - f. Additional training and knowledge transfer in connection with the services listed above in paragraphs a. through e., and such Other Services (as defined below) as the Parties shall mutually agree.
2. Term.
  - a. New A&B will administer the HMSA Contract through December 31, 2012 and New A&B will, if requested by Holdings, continue premium reporting on a monthly basis on behalf of Holdings through December 31, 2013.
  - b. New A&B will administer the HDS Contract until a 30-day termination notice can be provided following the Distribution Date and New A&B will, if requested by Holdings, continue administration and premium reporting on a monthly basis on behalf of Holdings through December 31, 2013.
  - c. The Aliquant Services are expected to continue until mid-2013. New A&B will administer open enrollment on behalf of New A&B and Holdings for 2013. It is anticipated that the Parties will identify an alternative solution to Aliquant in time for the 2014 open enrollment. However, if Holdings informs New A&B on or before March 31, 2013 that Holdings needs to extend the Aliquant Services for open enrollment for 2014 New A&B will administer open enrollment on behalf of Holdings for 2014.
  - d. New A&B will provide the DB Services to Holdings through December 31, 2013.

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- e. New A&B will provide the Medicare Services to Holdings through December 31, 2012. Mid-2012, New A&B will apply for its own RDS number. Holdings must file its own application in 2013 (if it elects to continue to do so) in September/October 2012.
3. Fees and Expenses.

- a. HR Services. Holdings shall pay to New A&B a fixed “lump sum” for the HR Services. The lump sum is calculated by using the time allocated by each New A&B human resources staff member to the scope of services provided and using actual benefit loaded salaries, plus 10%, totaling an annualized rate of \$181,801. New A&B shall invoice Holdings on a monthly basis.

Both Parties agree to review the lump sum charge formula on a quarterly basis (first review at the beginning of October, 2012 for Q3 2012) to ensure the level of the charge reflects actual time spent, and both Parties agree to adjust such lump sum as necessary (retrospectively and prospectively), based on experience.

- b. Other Services. In addition, there may be assistance provided on other items not specifically included in the HR Services (“Other Services”). Other Services will be reimbursed based on time spent by New A&B employees on such Services at each such employee’s Adjusted Hourly Rate. New A&B shall invoice Holdings on a monthly basis for Other Services, with a breakdown of the amount of time spent by the New A&B human resources staff member.
  - c. Any expenses related to the HR Services or the Other Services will be reimbursed (without a premium).
4. Special Requirements. New A&B and Holdings have agreed to the following special requirements concerning the HR Services:
- a. No “feeds” (intercompany IT feeds) will be cut or altered as a result of the separation until such time that is mutually agreed upon by the Parties, but such time shall in no event extend beyond the second anniversary of the Distribution Date. New A&B will require ongoing information on Holdings employees in order to provide the HR Services.
  - b. The planned provision of the HR Services is based on current facts and circumstances and what New A&B knows about Holdings’ employees, programs, and policies today. The HR Services do not take into account any changes/modifications such as (but not limited to) new pay programs, designs, benefits, acquisitions, dispositions, collectively bargained changes, and changes to eligible compensation. Any changes that are implemented should be communicated to New A&B’s Human Resources Department as soon as possible (and in advance if possible).

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5. Third Party Contractors.

- a. For any services provided in conjunction with vendors (such as, but not limited to, Towers Watson, Buck, Trucker Huss, Morgan Lewis, and Mercer), vendor charges will be directly invoiced to Holdings. Any change in vendor should be communicated to New A&B’s Human Resources Department as soon as possible and although changes to vendors are within Holdings’ discretion, the fee paid by Holdings to New A&B, as described in Item 3 above, will be adjusted to reflect any changes relating to the transition to a new vendor or the implementation of a new process. If any such third party contractor shall invoice New A&B for services for Holdings’ benefit, New A&B shall invoice Holdings for such amounts.

A-4

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## Accounting Services

1. Services. The accounting services to be provided by New A&B to Holdings (the “Accounting Services”) are as follows:
  - a. Assist with SEC reporting and filings post separation.
  - b. Provide training on executive compensation and employee benefits accounting.
  - c. Other services as mutually agreed upon by the parties.
2. Term. The Accounting Services will be provided from the Distribution Date to the date that Holdings files its Quarterly Report on Form 10-Q with respect to the quarter ended June 30, 2013.
3. Fees and Expenses. The Accounting Services will be reimbursed based on time spent by New A&B employees on such Services at each such employee’s Adjusted Hourly Rate. Any expenses related to the Accounting Services will be reimbursed (without a premium). All fees and expenses will be billed to Holdings on a monthly basis.
4. Special Requirements. None.
5. Third Party Contractors.
  - a. Edgarfilings (a subsidiary of Thomson Reuters). The scope of work includes providing edgarization software and XBRL preparation services.

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## Corporate Secretary and Corporate Governance Services

1. Services. The secretarial and corporate governance services to be provided by New A&B to Holdings (the “Corporate Advisory Services”) are as follows:

- a. Provide input regarding SEC reporting and filings post separation.
  - b. Provide input regarding procedures and processes for public company board meetings, record keeping, and corporate governance.
  - c. Other services as mutually agreed upon by the Parties.
2. Term. The Corporate Advisory Services will be provided from the Distribution Date to the date that Holdings files its Quarterly Report on Form 10-Q with respect to the quarter ending June 30, 2013.
  3. Fees and Expenses. The Corporate Advisory Services will be reimbursed based on time spent by New A&B employees on such Services at each such employee's Adjusted Hourly Rate. Any expenses related to the Corporate Advisory Services will be reimbursed (without a premium). All fees and expenses will be billed to Holdings on a monthly basis.
  4. Special Requirements. None.
  5. Third Party Contractors. New A&B shall not retain any law firms on behalf of Holdings.

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### Internal Audit Services

Post-separation, New A&B and Holdings will each have their own internal audit staff. However, the New A&B staff may be required to assist Holdings with the following services:

1. The internal audit services to be provided by New A&B to Holdings (the "New A&B Internal Audit Services") are as follows:
  - a. Planning and performing Sarbanes-Oxley Act of 2002 ("SOX") section 404 compliance, employee benefit plans audits and operational audits.
  - b. Supporting Deloitte & Touche LLP with financial statement audits.
  - c. Supporting the Enterprise Risk Management program.
2. Term. The New A&B Internal Audit Services will be provided from the Distribution Date to the date that Holdings files its Annual Report on Form 10-K for the year ended December 31, 2012.
3. Fees and Expenses. The New A&B Internal Audit Services will be reimbursed based on time spent by New A&B employees on such Services at each such employee's Adjusted Hourly Rate. Any expenses related to the New A&B Internal Audit Services will be reimbursed (without a premium). All fees and expenses will be billed to Holdings on a monthly basis.
4. Special Requirements. None.
5. Third Party Contractors.
  - a. Secure DNA Consultants, Inc. The scope of work pertains to information technology general control (ITGC) testing as part of SOX section 404 compliance.
  - b. For any New A&B Internal Audit Services provided by a vendor such as Secure DNA Consultants for Holdings' benefit, vendor charges will be directly invoiced to Holdings. If any such vendor shall invoice New A&B for services for Holdings' benefit, New A&B shall invoice Holdings for such amounts.

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### EXHIBIT B

#### MATSON SERVICES

Holdings agrees to provide (or cause another applicable member of the Matson Group to provide) to New A&B (or another applicable member of the A&B Group) the following services (the "Matson Services").

B-1

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### Tax Services

Holdings' Tax Department is based in Oakland, where it carries out the vast majority of work for all the tax compliance, tax accounting and tax advisory needs of both the A&B Group and the Matson Group. Post-separation, the Tax Department will remain with Holdings and will continue to provide tax work and services to New A&B.

1. Services. The tax services to be provided by Holdings to New A&B (the “Tax Services”) are as follows:
  - a. Assist with planning, recruiting, hiring and training New A&B tax staff.
  - b. Prepare required federal and state income tax returns and estimated tax payments.
  - c. Prepare tax provisions and reconcile tax accounts, for internal and external reporting purposes.
  - d. Prepare tax footnotes and other required tax disclosures.
  - e. Respond to federal and state income tax audits as required.
  - f. Provide information and support to financial auditors in connection with taxes.
  - g. Provide advice as needed regarding tax implications of business activities.
  - h. Monitor and advise New A&B management about tax developments and legislation.
  - i. Provide tax forecasts and estimates as required for New A&B management decision making.
  - j. Provide support for separation activities, including the tax rulings, tax opinions, and special SEC filings.
  - k. Perform tax research to support significant tax positions.
  - l. Coordinate with joint venture partners and outside tax advisors on tax information and issues as needed.
  - m. Prepare or review other required tax filings, including Hawaii general excise taxes, HIPAC and New A&B Foundation, and Heavy Vehicle Use Tax.
  - n. Provide other general tax advice and assistance as requested.
2. Term. The Tax Services will be provided until the earlier of (i) such time as New A&B staffs and trains its own stand-alone tax department or (ii) the second anniversary of the Distribution Date.

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3. Fees and Expenses. The Tax Services will be reimbursed based on time spent by Holdings employees on such Services at each such employee’s Adjusted Hourly Rate. Any expenses related to the Tax Services will be reimbursed (without a premium). All fees and expenses will be billed to New A&B on a monthly basis. For the avoidance of doubt, reimbursable expenses may include: approved travel, tax software license (allocated portion of payments made after Distribution Date), tax research materials (allocated portion of future online subscriptions) and other tax office supplies (allocated portion). Notwithstanding the foregoing, all tax software license will be reimbursed based on usage/benefit to be determined by mutual agreement between the Parties.
4. Special Requirements. None.
5. Third Party Contractors.
  - a. Third party contractors that will be used to provide the Tax Services are as follows: (i) Ernst & Young (“E&Y”), if needed, under the existing tax advisory agreement, dated January 6, 2011, by and between E&Y and Alexander & Baldwin, Inc. on behalf of itself and its affiliates and (ii) temporary employee Avery Chin under an existing agreement with an agency.
  - b. For any Tax Services provided by a vendor (including but not limited to E&Y or Avery Chin), vendor charges will be directly invoiced to New A&B. If any such third party contractor shall invoice Holdings for services for New A&B’s benefit, Holdings shall invoice New A&B for such amounts.

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## **Risk Management Services**

Holdings’ Risk Management Department is based in Oakland, where it carries out work for the insurance procurement, auto/general liability/property claims administration and related insurance accounting work in collaboration with the Finance Department. These insurance services are provided for both the A&B Group and the Matson Group. Post-separation, the Risk Management Department will remain with Holdings and will continue to provide risk management work and services to New A&B.

1. Services. The risk management services that may be provided by Holdings to New A&B (the “Risk Management Services”) include:
  - a. Review of insurance binders, policies and premium invoices for policies placed as of separation and for policies that are purchased after the Distribution Date.
  - b. Handle auto liability, general liability, property, boiler and machinery claims that were incurred prior to the Distribution Date.
  - c. Provide guidance regarding auto liability, general liability, property, boiler and machinery claims incurred after the Distribution Date.

- d. Review of insurance provisions in contracts, issuance of certificates of insurance and review of third party certificates of insurance.
  - e. Insurance accounting services provided by the Finance Department such as reconciliation of claims activity to the general ledger and premium allocations.
  - f. Negotiate with insurance broker on renewals and new placements after the Distribution Date which includes gathering underwriting information.
  - g. Prepare monthly and semi annual reports to senior management at New A&B.
  - h. Prepare annual budget.
  - i. Assist with recruiting, interviewing and training a risk manager.
  - j. Miscellaneous insurance project work such as internal insurance training and reviewing insurance for development projects, such as Kukui'ula and Waihonua, vendors, contractors, etc.
  - k. Other services as mutually agreed upon by the Parties.
2. Term. The Risk Management Services will be provided until the earlier of (i) such time as New A&B staffs and trains its own stand-alone department or (ii) the second anniversary of the Distribution Date.

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3. Fees and Expenses. The Risk Management Services will be reimbursed based on time spent by Holdings employees on such Services at each such employee's Adjusted Hourly Rate. Any expenses related to the Risk Management Services (including but not limited to approved travel, and fees and expenses of third party vendors if not directly billed to New A&B) will be reimbursed (without a premium). The STARS administration fee related to run-off claims will be allocated to each Party in proportion to each Party's relative share of run-off claims. All fees and expenses will be billed to New A&B on a monthly basis.
4. Special Requirements.
- a. Retained loss expenses (deductibles, uninsured costs) for claims handled by Holdings shall be handled as provided in the Separation Agreement.
5. Third Party Contractors: Third party contractors that will be used to provide the Risk Management Services are as follows:
- a. STARS
  - b. Sedgwick (third party claims administrator).
  - c. XL (auto/general liability insurer) and other insurance companies.

For any Risk Management Services provided by a vendor other than STARS, vendor charges will be directly invoiced to New A&B by such vendors. If any such third party contractor shall invoice Holdings for services for New A&B's benefit, Holdings shall invoice New A&B for such amounts.

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### Internal Audit Services

Post-separation, New A&B and Holdings will each have their own internal audit staff. However, Holdings staff may be required to assist New A&B with the following services:

1. The internal audit services to be provided by Holdings to New A&B (the "Holdings Internal Audit Services") are as follows:
  - a. Planning and performing SOX section 404 compliance, employee benefit plans audits and operational audits.
  - b. Supporting Deloitte & Touche LLP with financial statement audits.
  - c. Supporting the Enterprise Risk Management program.
2. Term. The Holdings Internal Audit Services will be provided from the Distribution Date to the date that New A&B files its Annual Report on Form 10-K for the year ended December 31, 2012.
3. Fees and Expenses. The Holdings Internal Audit Services will be reimbursed based on time spent by Holdings employees on such Services at each such employee's Adjusted Hourly Rate. Any expenses related to the Holdings Internal Audit Services will be reimbursed (without a premium).
4. Special Requirements. None.
5. Third Party Contractors.

- a. Secure DNA Consultants, Inc. The scope of work pertains to information technology general control (ITGC) testing as part of SOX section 404 compliance.
- b. For any Holdings Internal Audit Services provided by a vendor such as Secure DNA Consultants for New A&B's benefit, vendor charges will be directly invoiced to New A&B. If any such vendor shall invoice Holdings for services for New A&B's benefit, Holdings shall invoice New A&B for such amounts.



Portions of the schedules to this Agreement have been omitted. The omissions have been indicated by asterisks (“\*\*\*\*\*”)

**EMPLOYEE MATTERS AGREEMENT**

by and between

ALEXANDER & BALDWIN HOLDINGS, INC.

and

A & B II, INC.

dated as of

June 8, 2012

**EMPLOYEE MATTERS AGREEMENT**

This EMPLOYEE MATTERS AGREEMENT (the “Agreement”) is entered into as of June 8, 2012, by and between Alexander & Baldwin Holdings, Inc., a Hawaii corporation (“Holdings”), and A & B II, Inc., a Hawaii corporation (“New A&B”), each a “Party” and together, the “Parties”.

**RECITALS:**

WHEREAS, Holdings, acting through its direct and indirect Subsidiaries, currently owns and conducts the Matson Businesses and the A&B Businesses;

WHEREAS, the Board of Directors of Holdings has determined that it is appropriate, desirable and in the best interests of Holdings and its stockholders to separate Holdings into two separate, independent and publicly traded companies: (i) Holdings which, following consummation of the transactions contemplated in that certain Separation and Distribution Agreement dated as of even date hereof (as amended or otherwise modified from time to time, the “Separation Agreement”), will own and conduct the Matson Businesses and (ii) New A&B which, following consummation of the transactions contemplated by the Separation Agreement, will own and conduct the A&B Businesses; and

WHEREAS, pursuant to the Separation Agreement, Holdings and New A&B have agreed to enter into this Agreement for the purpose of allocating Assets, Liabilities and responsibilities with respect to employee compensation and benefit plans and programs between and among them.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual promises and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

**ARTICLE I**

**DEFINITIONS AND INTERPRETATION**

Section 1.1 Definitions. Capitalized terms used, but not defined herein, shall have the meanings assigned to such terms in the Separation Agreement and the following terms shall have the following meanings:

“A&B Retirement Plans” shall mean the A&B Retirement Plan for Salaried Employees of Alexander & Baldwin, Inc., the Pension Plan for Employees of A&B Agricultural Companies, the KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees, the KCC, Inc. Pension Plan for Salaried Bargaining Unit Employees and the KT&S Pension Plan for Bargaining Unit Employees.

“Agreement” shall have the meaning ascribed thereto in the preamble to this Agreement.

“Benefit Plan” shall mean, with respect to an entity, each plan, program, arrangement, agreement or commitment that is an employment, change in control, consulting, non-competition or deferred compensation plan, program, arrangement, agreement or commitment or an executive compensation, incentive bonus or other bonus, employee pension, profit-sharing, savings, retirement, supplemental retirement, stock option, stock purchase, stock appreciation rights, restricted stock unit, other equity-based compensation, severance pay, salary continuation, life, health, hospitalization, sick leave, vacation pay, disability or accident insurance plan, corporate-owned or key-man life insurance or other employee benefit plan, program, arrangement, agreement or commitment, including any “employee benefit plan” (as defined in Section 3(3) of ERISA), in each case, that is sponsored or maintained by such entity or to which such entity contributes or is required to contribute.

“COBRA” shall mean the continuation coverage requirements for “group health plans” under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as codified in Code Section 4980B and Sections 601 through 608 of ERISA.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“DOL” shall mean the U.S. Department of Labor.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” shall mean with respect to any Person, each business or entity which is a member of a “controlled group of corporations,” under “common control” or a member of an “affiliated service group” with such Person within the meaning of Sections 414(b), (c) or (m) of the Code, or required to be aggregated with such Person under Section 414(o) of the Code, or under “common control” with such Person within the meaning of Section 4001(a)(14) of ERISA.

“Final Retirement Plan Transfer Amount” shall have the meaning ascribed thereto in Section 3.2(b) of this Agreement.

“Final Transfer Date” shall have the meaning ascribed thereto in Section 3.2(c) of this Agreement.

“Former A&B Employee” shall mean any individual whose employment with Holdings and its Subsidiaries terminated for any reason prior to the Distribution Date and who primarily worked for an A&B Business at the time of his or her termination of employment.

“Former Employee” shall mean any individual who is a Former Holdings Employee or a Former A&B Employee.

“Former Holdings Employee” shall mean any individual whose employment with Holdings and its Subsidiaries terminated for any reason prior to the Distribution Date, other than a Former A&B Employee.

“HIPAA” shall mean the Health Insurance Portability and Accountability Act of 1996, as amended.

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“Holdings” shall have the meaning ascribed thereto in the preamble to this Agreement.

“Holdings 401(k) Plans” shall mean the A&B Individual Deferred Compensation and Profit Sharing Plan for Salaried Non-Bargaining Unit Employees and the A&B Individual Deferred Compensation and Profit Sharing Plan for Bargaining Unit Employees.

“Holdings Benefit Plan” shall mean any Benefit Plan sponsored, maintained or contributed to by any member of the Matson Group or any ERISA Affiliate thereof (or to which any such entity contributes or is required to contribute), whether prior to or following the Distribution Date, other than a New A&B Benefit Plan.

“Holdings Employee” shall mean any individual who, immediately prior to the Distribution Date, is employed by Holdings or any member of the Matson Group, including active employees and employees on vacation or approved leave of absence (including maternity, paternity, family, sick leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves).

“Holdings Flexible Benefits Program” shall mean the Alexander & Baldwin, Inc. Flexible Benefits Program.

“Holdings Nonqualified Plans” shall mean the plans set forth on Schedule D hereto.

“Holdings Option” shall have the meaning ascribed thereto in Section 7.1(a) of this Agreement.

“Holdings Participant” shall mean any individual who is a Holdings Employee, a Former Holdings Employee, a member of the Holdings Board of Directors (whether or not any such Board member continues as a member of the New A&B Board of Directors on and following the Distribution Date but excluding, solely for purposes of Article VII of this Agreement, each individual listed on Schedule A), a former member of the A&B Predecessor Board of Directors, or a beneficiary, dependent or alternate payee of any of the foregoing.

“Holdings Pension Master Trust” shall mean the Alexander & Baldwin, Inc. Retirement and Pension Trust, effective January 1, 1993.

“Holdings Severance Plans” shall mean the severance plans set forth on Schedule B hereto.

“Holdings Stock Plans” shall mean the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan, the Alexander & Baldwin, Inc. 1998 Non-Employee Director Stock Option Plan, the Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan, and any other stock option or stock incentive compensation plan or arrangement maintained before the Distribution Date for employees, officers, non-employee directors or other independent contractors of Holdings or its Affiliates, as amended.

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“Holdings Stock Unit Award” shall have the meaning ascribed thereto in Section 7.2(a) of this Agreement.

“Holdings Welfare Plans” shall mean the health and welfare plans set forth on Schedule C hereto.

“Initial Transfer Amount” shall have the meaning ascribed thereto in Section 3.2(a) of this Agreement.

“IRS” shall mean the U.S. Internal Revenue Service.

“New A&B” shall have the meaning ascribed thereto in the preamble to this Agreement.

“New A&B 401(k) Plans” shall have the meaning ascribed thereto in Section 4.1(a) of this Agreement.

“New A&B Benefit Plan” shall mean any Benefit Plan sponsored, maintained or contributed to by any member of the A&B Group or any ERISA Affiliate thereof following the Distribution Date (or to which any such entity contributes or is required to contribute), including the Benefit Plans assumed pursuant to Section 2.3(a).

“New A&B Employee” shall mean any individual who, immediately prior to the Distribution Date, is employed by New A&B or any member of the A&B Group, including active employees and employees on vacation or approved leave of absence (including maternity, paternity, family, sick leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves).

“New A&B Flexible Benefits Program” shall have the meaning ascribed thereto in Section 5.1(c) of this Agreement.

“New A&B Nonqualified Plans” shall have the meaning ascribed thereto in Section 6.1.

“New A&B Option” shall have the meaning ascribed thereto in Section 7.1(b) of this Agreement.

“New A&B Participant” shall mean any individual who is a New A&B Employee, a Former A&B Employee, a member of the New A&B Board of Directors (including any member of the New A&B Board of Directors who also continues as a member of the Holdings Board of Directors on and following the Distribution Date but excluding, solely for purposes of Article VII of this Agreement, each individual listed on Schedule E) or a beneficiary, dependent or alternate payee of any of the foregoing.

“New A&B Pension Master Trust” shall have the meaning ascribed thereto in Section 3.1 of this Agreement.

“New A&B Severance Plans” shall have the meaning ascribed thereto in Section 8.3(c) of this Agreement.

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“New A&B Stock Plan” shall have the meaning ascribed thereto in Section 2.5 of this Agreement.

“New A&B Stock Unit Award” shall have the meaning ascribed thereto in Section 7.2(b) of this Agreement.

“New A&B Welfare Plans” shall have the meaning ascribed thereto in Section 5.1(a) of this Agreement.

“Participating Company” shall mean Holdings and any entity the employees of which are eligible to participate in a Holdings Benefit Plan.

“Parties” shall have the meaning ascribed thereto in the preamble to this Agreement.

“Post-Distribution Holdings Holder” shall have the meaning ascribed thereto in Section 7.1(a) of this Agreement.

“Post-Distribution Holdings Option” shall have the meaning ascribed thereto in Section 7.1(a) of this Agreement.

“Post-Distribution Holdings Stock Unit Award” shall have the meaning ascribed thereto in Section 7.2(a) of this Agreement

“Separation Agreement” shall have the meaning ascribed thereto in the recitals to this Agreement.

“True-Up Amount” shall have the meaning ascribed thereto in Section 3.2(c) of this Agreement.

“U.S.” shall mean the United States of America.

## ARTICLE II

### GENERAL PRINCIPLES

#### Section 2.1 Assumption and Retention of Liabilities; Related Assets.

(a) As of the Distribution Date, except as otherwise expressly provided for in this Agreement, Holdings shall, or shall cause one or more members of the Matson Group to, assume or retain and Holdings hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all Liabilities under all Holdings Benefit Plans, (ii) all Liabilities with respect to the employment, service, workers compensation, termination of employment or termination of service of all Holdings Employees and Former Holdings Employees and their dependents and beneficiaries (and any alternate payees in respect thereof) and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker of any member of the Matson Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the Matson Group or whose employment or service is or was otherwise primarily associated with the

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Matson Businesses), in each case to the extent arising in connection with or as a result of employment with or the performance of services for any member of the Matson Group or A&B Group, and (iii) any other Liabilities or obligations expressly assigned to Holdings or any of its Affiliates under this Agreement. The Liabilities assumed or retained by the Matson Group as provided for in this Section 2.1(a) shall be Matson Liabilities for all purposes of the Separation Agreement.

(b) As of the Distribution Date, except as otherwise expressly provided for in this Agreement, New A&B shall, or shall cause one or more members of the A&B Group to, assume or retain, as applicable, and New A&B hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all Liabilities under all New A&B Benefit Plans, (ii) all Liabilities with respect to the employment, service, workers compensation, termination of employment or termination of service of all New A&B Employees and Former A&B Employees and their dependents and beneficiaries (and any alternate payees in respect thereof) and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker of any member of the A&B Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the A&B Group or whose employment or service is or was otherwise primarily associated with the A&B Businesses), in each case to the extent arising in connection with or as a result of employment with or the performance of services for any member of the Matson Group or A&B Group, and (iii) any other Liabilities or obligations expressly assigned to New A&B or any of its Affiliates under this Agreement. The Liabilities assumed or retained by the A&B Group as provided for in this Section 2.1(b) shall be A&B Liabilities for all purposes of the Separation Agreement.

Section 2.2 Participation in Benefit Plans. Except as otherwise expressly provided for in this Agreement or as otherwise expressly agreed to in writing between the Parties, effective as of the Distribution Date, (i) New A&B and each member of the A&B Group shall cease to be a Participating Company in any Holdings Benefit Plan and Holdings, (ii) each member of the Holdings Group shall cease to be a Participating Company in any New A&B Benefit Plan, (iii) each New A&B Participant shall cease to participate in, be covered by, accrue benefits under, be eligible to contribute to or have any rights under any Holdings Benefit Plan, and Holdings and New A&B shall take all necessary action to effectuate each such cessation and (iv) each Holdings Participant shall cease to participate in, be covered by, accrue benefits under, be eligible to contribute to or have any rights under any New A&B Benefit Plan, and New A&B and Holdings shall take all necessary action to effectuate each such cessation.

Section 2.3 Assumption of Certain Benefit Plans.

(a) Prior to and effective as of the Distribution Date, Holdings shall take all steps necessary to assign to New A&B or a member of the A&B Group, and New A&B or a member of the A&B Group, as applicable, shall take all steps necessary to assume, all Liabilities in respect of each Benefit Plan in which only New A&B Participants participate, including, but not limited to, the A&B Retirement Plans.

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(b) Prior to and effective as of the Distribution Date, New A&B shall take all steps necessary to assign to Holdings or a member of the Holdings Group, and Holdings or a member of the Holdings Group, as applicable, shall take all steps necessary to assume, all Liabilities in respect of each Benefit Plan in which only Holdings Participants participate.

Section 2.4 Service Recognition.

(a) Pre-Distribution Service Credit. New A&B shall give each New A&B Participant full credit for purposes of eligibility, vesting, determination of level of benefits, and, to the extent applicable, benefit accruals under any New A&B Benefit Plan for such New A&B Participant's service with Holdings or any of its Subsidiaries prior to the Distribution Date to the same extent such service was recognized by the applicable Benefit Plans immediately prior to the Distribution Date and Holdings shall give each Holdings Participant full credit for purposes of eligibility, vesting, determination of level of benefits, and, to the extent applicable, benefit accruals under any Holdings Benefit Plan for such Holdings Participant's service with Holdings or any of its Subsidiaries prior to the Distribution Date to the same extent such service was recognized by the applicable Benefit Plans immediately prior to the Distribution Date; provided, that, such service shall not be recognized to the extent that such recognition would result in the duplication of benefits.

(b) Nothing herein shall limit Holdings or New A&B or their respective Affiliates from recognizing service in addition to the service required to be recognized hereunder.

Section 2.5 Approval by Holdings As Sole Stockholder. Prior to the Distribution Date, New A&B shall adopt the Alexander & Baldwin, Inc. 2012 Incentive Compensation Plan (the "New A&B Stock Plan") which shall contain an addendum authorizing the issuance of long-term incentive awards having material terms and conditions substantially similar to those long-term incentive awards issued under the relevant Holdings Stock Plans that are to be replaced with such New A&B long-term incentive awards pursuant to Article VII of this Agreement. Prior to the Distribution, Holdings, as New A&B's sole shareholder, shall approve the New A&B Stock Plan and the annual incentive plans adopted by New A&B in accordance with Section 8.1(c) of this Agreement.

Section 2.6 Transfer of Assets. Assets, if any, attributable to the Liabilities referenced in the preceding provisions of this Article II shall be allocated (if applicable) as provided in the remaining provisions of this Agreement.

### ARTICLE III

#### U.S. QUALIFIED DEFINED BENEFIT PLANS

Section 3.1 Establishment of New A&B Plan Trust. Prior to and effective as of the Distribution Date, New A&B shall, or shall cause one or more members of the A&B Group to, establish a defined benefit pension plan trust with respect to the A&B Retirement Plans, which shall be exempt under Section 501(a) of the Code (the "New A&B Pension Master Trust").

Section 3.2 Trust to Trust Transfer of Plan Assets.

(a) Holdings shall cause the trustees of the Holdings Pension Master Trust to transfer to the New A&B Pension Master Trust an estimated amount of Assets allocable to the A&B Retirement Plans, based on a valuation provided by the actuary of the Holdings Pension

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Master Trust as of the close of market (business) on May 31, 2012 (such amount, the "Initial Transfer Amount"), and Holdings shall use its reasonable best efforts to cause such transfer to occur on or prior to the tenth (10<sup>th</sup>) day following the Distribution Date.

(b) Holdings shall cause the actuary of the Holdings Pension Master Trust to provide New A&B with an updated calculation of the value, as of the Distribution Date, of the Assets allocable to the New A&B Pension Master Trust with respect to the A&B Retirement Plans, and Holdings shall use its reasonable best efforts to cause the provision of such calculation to occur no later than forty-five (45) days following the Distribution Date. The final, verified value, as of the Distribution Date, of the Assets to be transferred to the New A&B Pension Master Trust shall be referred to herein as the “Final Retirement Plan Transfer Amount.”

(c) Holdings shall cause the Holdings Pension Master Trust to transfer to the New A&B Pension Master Trust (the date of such transfer, the “Final Transfer Date”) an amount equal to the excess, if any, of (A) the Final Retirement Plan Transfer Amount over (B) the Initial Transfer Amount, and New A&B shall cause the New A&B Pension Master Trust to transfer to the Holdings Pension Master Trust an amount equal to the excess, if any, of (A) the Initial Transfer Amount over (B) the Final Retirement Plan Transfer Amount (in either case, such excess, as adjusted to reflect earnings or losses as described below, the “True-Up Amount”), and, in either case, Holdings and New A&B shall use their reasonable best efforts to cause such transfer to occur no later than ten (10) days following the determination of the Final Retirement Plan Transfer Amount. The True-Up Amount shall be adjusted to reflect earnings or losses during the period from the Distribution Date to the Final Transfer Date.

All transfers pursuant to this Section 3.2 shall be made in kind, in cash or in cash equivalents, as determined by New A&B in its sole discretion.

Section 3.3 PBGC Form 10. Holdings and New A&B shall, to the extent necessary, timely file or cause to be filed a PBGC Form 10 regarding any applicable reportable events within the meaning of Section 4043 of ERISA.

## ARTICLE IV

### U.S. QUALIFIED DEFINED CONTRIBUTION PLANS

#### Section 4.1 Holdings 401(k) Plans; New A&B 401(k) Plans.

(a) Establishment of the New A&B 401(k) Plans. Prior to and effective as of the Distribution Date, New A&B shall, or shall cause one or more members of the A&B Group to, establish one or more defined contribution plans and trusts for the benefit of New A&B Participants (the “New A&B 401(k) Plans”). New A&B shall take all necessary, reasonable and appropriate action to establish, maintain and administer the New A&B 401(k) Plans so that they are qualified under Section 401(a) of the Code and that the related trust(s) is/are exempt under Section 501(a) of the Code. New A&B and the members of the A&B Group shall be responsible for any and all Liabilities and other obligations with respect to the New A&B 401(k) Plans, and Holdings and the members of the Matson Group shall be responsible for any and all Liabilities and other obligations with respect to the Holdings 401(k) Plans, except as expressly provided in Section 4.1(b).

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(b) Transfer of Holdings 401(k) Plans Assets and Accrued Benefit Liabilities. As soon as practicable but no later than thirty (30) days following the Distribution Date, Holdings shall cause the accrued benefits (reflected in the accounts, including any outstanding loan balances) under the Holdings 401(k) Plans attributable to New A&B Participants and all of the Assets in the Holdings 401(k) Plans related thereto to be transferred in-kind to the New A&B 401(k) Plans, and New A&B shall cause the New A&B 401(k) Plans to accept such transfer of accrued benefits and Assets and, effective as of the date of such transfer, to assume and to fully perform, pay and discharge in due course in full, all obligations of the Holdings 401(k) Plans relating to the accrued benefits of New A&B Participants as of the Distribution Date. The transfer of Assets and Liabilities specified in this paragraph shall be conducted in accordance with Section 414(l) of the Code and Section 208 of ERISA.

(c) Form 5310-A. As soon as practicable following the date hereof, Holdings and New A&B shall, to the extent necessary, file or cause to be filed IRS Form 5310-A regarding the transfer of Assets and Liabilities from the Holdings 401(k) Plans to the New A&B 401(k) Plans as provided in this Article IV.

Section 4.2 Contributions as of the Distribution Date. All contributions payable to the Holdings 401(k) Plans with respect to employee deferrals and contributions, matching contributions and other contributions for New A&B Participants through the Distribution Date, determined in accordance with the terms and provisions of the Holdings 401(k) Plans, ERISA and the Code, shall be paid by Holdings to the Holdings 401(k) Plans prior to the date of the Asset transfer described in Section 4.1(b) of this Agreement.

Section 4.3 Employer Securities. Holdings and New A&B agree to explore mutually beneficial means of ensuring that, with respect to the tax credit ESOP portion of each of the Holdings 401(k) Plans in the case of Holdings and the New A&B 401(k) Plans in the case of New A&B, such portion is invested primarily in “employer securities” within the meaning of Code Sections 409(l) and 4975(e)(8) within the timeframe required by Treasury Regulation §1.46-8(e).

## ARTICLE V

### U.S. HEALTH AND WELFARE PLANS

#### Section 5.1 Health And Welfare Plans Maintained By Holdings Prior To The Distribution Date.

(a) Establishment of the New A&B Welfare Plans. Holdings or one or more members of the Matson Group maintain the Holdings Welfare Plans for the benefit of eligible Holdings Participants and New A&B Participants. Prior to and effective as of the Distribution Date, New A&B shall, or shall cause a member of the A&B Group to, adopt, for the benefit of eligible New A&B Participants, health and welfare plans, the terms of which are substantially comparable, in the aggregate, to the terms of the Holdings Welfare Plans as in effect immediately prior to the Distribution Date (collectively, the “New A&B Welfare Plans”).

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(b) Terms of Participation in New A&B Welfare Plans. New A&B shall cause the New A&B Welfare Plans to (i) waive all preexisting conditions limitations, exclusions, and service conditions with respect to participation and coverage requirements applicable to New A&B Participants, other than limitations that were in effect with respect to New A&B Participants as of the Distribution Date under the Holdings Welfare Plans, and (ii) waive any waiting period limitation or evidence of insurability requirement that would otherwise be applicable to a New A&B Participant following the Distribution Date to the extent such New A&B Participant had satisfied any similar limitation under the analogous Holdings Welfare Plan. New A&B Participants shall initially be eligible for participation in and benefits under New A&B retiree welfare plans on the same basis under which they were eligible for participation in and benefits under the Holdings retiree welfare plans immediately before the Distribution.

(c) Reimbursement Account Plan. Prior to and effective as of the Distribution Date, New A&B or one or more members of the A&B Group shall establish flexible spending reimbursement accounts under a cafeteria plan qualifying under Section 125 of the Code (the "New A&B Flexible Benefits Program") and each New A&B Employee shall be eligible as of the Distribution Date to participate in the New A&B Flexible Benefits Program pursuant to the terms of such plan. As of the Distribution Date, New A&B shall cause the New A&B Flexible Benefits Program to accept a transfer of the health care flexible spending reimbursement accounts of each New A&B Employee who participates in the Holdings Flexible Benefits Program immediately prior to the Distribution Date, and to honor and continue through December 31, 2012 the elections made by each New A&B Employee under the Holdings Flexible Benefits Program in respect of the health care flexible spending reimbursement accounts that are in effect immediately prior to the Distribution Date. As soon as practicable following the Distribution Date, Holdings shall cause to be transferred from the Holdings Flexible Benefits Program to the New A&B Flexible Benefits Program the excess, if any, of the aggregate accumulated contributions to the health care flexible spending reimbursement accounts made by A&B Employees prior to the Distribution Date during 2012 over the aggregate reimbursement payouts paid to the New A&B Employees for such year from such accounts. New A&B shall cause the New A&B Flexible Benefits Program to accept a transfer of the dependent care flexible spending reimbursement accounts of each New A&B Employee who participates in the Holdings Flexible Benefits Program immediately prior to the Distribution Date, and to honor and continue through December 31, 2012 the elections made by each New A&B Employee under the Holdings Flexible Benefits Program in respect of the dependent care flexible spending reimbursement accounts that are in effect immediately prior to the Distribution Date. As soon as practicable following the Distribution Date, Holdings shall cause to be transferred from the Holdings Flexible Benefits Program to the New A&B Flexible Benefits Program the excess, if any, of the aggregate accumulated contributions to the dependent care flexible spending reimbursement accounts made by A&B Employees prior to the Distribution Date during 2012 over the aggregate reimbursement payouts paid to the New A&B Employees for such year from such accounts. From and after the Distribution Date, New A&B shall assume and be solely responsible for all claims by New A&B Employees under the New A&B Flexible Benefits Program incurred at any time during 2012, whether incurred prior to, on or after the Distribution Date, that have not been paid in full as of the Distribution Date.

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(d) COBRA and HIPAA. Prior to and effective as of the Distribution Date, New A&B shall assume, or shall cause the applicable New A&B Welfare Plans to assume, responsibility for compliance with the health care continuation coverage requirements of COBRA with respect to New A&B Participants who, as of the day prior to the Distribution Date, were covered under a Holdings Welfare Plan pursuant to COBRA. Holdings shall administer compliance with any certificate of creditable coverage requirements of HIPAA or Medicare applicable to the Holdings Welfare Plans with respect to New A&B Participants. The Parties agree that neither the Distribution nor any transfers of employment that occur prior to or as of the Distribution Date in connection with the transactions contemplated by this Agreement shall constitute a COBRA qualifying event for purposes of COBRA; provided, that, in all events, New A&B shall assume, or shall cause the New A&B Welfare Plans to retain or assume, responsibility for compliance with the health care continuation coverage requirements of COBRA with respect to all New A&B Employees.

(e) Liabilities.

(i) Insured Benefits. With respect to employee welfare and fringe benefits that are provided through the purchase of insurance, Holdings shall cause the Holdings Welfare Plans to fully perform, pay and discharge in due course in full all claims of New A&B Participants that are incurred prior to the Distribution Date and New A&B shall cause the New A&B Welfare Plans to fully perform, pay and discharge in due course in full all claims of New A&B Participants that are incurred on or after the Distribution Date.

(ii) Self-Insured Benefits. With respect to employee welfare and fringe benefits that are provided on a self-insured basis, (A) Holdings shall or shall cause a member of the Holdings Group to fully perform, pay and discharge in due course in full, all claims of New A&B Participants that are incurred prior to the Distribution Date, and (B) New A&B shall or shall cause a member of the A&B Group to fully perform, pay and discharge in due course in full all claims of New A&B Participants that are incurred on or after the Distribution Date.

(iii) Incurred Claim Definition. For purposes of this Section 5.1(e), a claim or Liability is deemed to be incurred (A) with respect to medical, dental, vision and/or prescription drug benefits, upon the rendering of health services giving rise to such claim or Liability; (B) with respect to life insurance, accidental death and dismemberment and business travel accident insurance, upon the occurrence of the event giving rise to such claim or Liability; (C) with respect to disability benefits, upon the date of an individual's disability, as determined by the disability benefit insurance carrier or claim administrator, giving rise to such claim or Liability; and (D) with respect to a period of continuous hospitalization, upon the date of admission to the hospital.

(iv) Claim Experience. Notwithstanding the foregoing, the Parties shall take any action necessary to ensure that any claims experience under the Holdings Welfare Plans attributable to New A&B Participants shall be allocated to the New A&B Welfare Plans.

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Section 5.2 Time-Off Benefits. New A&B shall credit each New A&B Participant with the amount of accrued but unused vacation time, sick time and other time-off benefits that such New A&B Participant had earned as of the Distribution Date.

## ARTICLE VI

### NONQUALIFIED RETIREMENT PLANS

Section 6.1 Establishment of New A&B Nonqualified Plans. Except as set forth in the footnote on Schedule D hereto, prior to and effective as of the Distribution Date, New A&B shall, or shall cause one of the members of the A&B Group to, establish one or more non-qualified deferred

compensation plans to benefit New A&B Participants who have accrued, or were eligible to accrue, benefits under the Holdings Nonqualified Plans immediately prior to the Distribution Date, the terms of which are substantially comparable, in the aggregate, to the terms of the Holdings Nonqualified Plans as in effect immediately prior to the Distribution Date (the “New A&B Nonqualified Plans”). Prior to and effective as of the Distribution Date, New A&B shall cause the New A&B Nonqualified Plans to assume responsibility for all Liabilities and fully perform, pay and discharge in due courses in full all obligations under the Holdings Nonqualified Plans with respect to all New A&B Participants. New A&B and the members of the A&B Group shall be responsible for any and all Liabilities (including Liability for funding) and other obligations with respect to the New A&B Nonqualified Plans.

Section 6.2 Filing of Top Hat Statements. Each of New A&B with respect to the New A&B Nonqualified Plans and Holdings with respect to the Holdings Nonqualified Plans, shall, to the extent necessary, file a statement with the DOL pursuant to DOL Regulation Section 2520.104-23(b) within 120 days of the Distribution Date.

## ARTICLE VII

### EFFECT ON HOLDINGS EQUITY AWARDS

#### Section 7.1 Stock Options.

(a) Each option to purchase Holdings Common Stock granted under the Holdings Stock Plans (a “Holdings Option”) that is outstanding immediately prior to the Distribution Date and that is held by a Holdings Employee, a Former Employee, a Holdings Participant who is a member of the Holdings Board of Directors or a former member of the A&B Predecessor Board of Directors (a “Post-Distribution Holdings Holder”) shall be adjusted immediately following the close of market on the Distribution Date (and shall thereafter be referred to as a “Post-Distribution Holdings Option”) as follows:

(i) The number of shares of Holdings Common Stock subject to each Post-Distribution Holdings Option shall be equal to the product (rounded down to the nearest whole share) of (A) the number of shares of Holdings Common Stock subject to the corresponding Holdings Option immediately prior to the Distribution Date and (B) a fraction, the numerator of which is the sum of the closing price of Holdings Common Stock as traded on an ex-distribution basis on the Distribution Date and the closing “when issued” price of New A&B Common Stock on the same trading day, and the denominator of which is the closing price of Holdings Common Stock as traded on an ex-distribution basis on the Distribution Date.

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(ii) The exercise price per share for each Post-Distribution Holdings Option shall be equal to the product (rounded up to the nearest whole cent) of (A) the exercise price of the corresponding Holdings Option immediately prior to the Distribution Date and (B) a fraction, the numerator of which is closing price of Holdings Common Stock as traded on an ex-distribution basis on the Distribution Date and the denominator of which is the sum of the closing price of Holdings Common Stock as traded on an ex-distribution basis on the Distribution Date and the closing “when issued” price of New A&B Common Stock on the same trading day.

(iii) Each Post-Distribution Holdings Option shall otherwise be subject to the same terms, vesting conditions, exercise procedures, expiration dates and termination provisions and other terms and conditions as were in effect immediately prior to the Distribution Date for the corresponding Holdings Option.

(b) Each Holdings Option that is outstanding immediately prior to the Distribution Date and that is held by a New A&B Employee or a New A&B Participant who is a member of the New A&B Board of Directors at that time shall, effective immediately following the close of market on the Distribution Date, be cancelled and immediately replaced with an option to purchase New A&B Common Stock (a “New A&B Option”) as follows:

(i) The number of shares of New A&B Common Stock subject to each New A&B Option shall be equal to the product (rounded down to the nearest whole share) of (A) the number of shares of Holdings Common Stock subject to the corresponding Holdings Option immediately prior to the Distribution Date and (B) a fraction, the numerator of which is the sum of the closing “when issued” price of New A&B Common Stock on the Distribution Date and the closing price of Holdings Common Stock traded on an ex-distribution basis on the same trading day and the denominator of which is the closing “when issued” price of New A&B Common Stock on the Distribution Date.

(ii) The per share exercise price for each New A&B Option shall be equal to the product (rounded up to the nearest whole cent) of (A) the exercise price of the corresponding Holdings Option immediately prior to the Distribution Date and (B) a fraction, the numerator of which is the closing “when issued” price of New A&B Common Stock on the Distribution Date and the denominator of which is the sum of the closing “when issued” price of New A&B Common Stock on the Distribution Date and the closing price of Holdings Common Stock as traded on an ex-distribution basis on the same trading day.

(iii) Each New A&B Option shall otherwise be subject to the same terms, vesting conditions, exercise procedures, expiration dates and termination provisions and other terms and conditions as were in effect immediately prior to the Distribution Date for the corresponding Holdings Option. With respect to each New A&B Option, New A&B shall give each New A&B Participant full vesting service credit for such New A&B Participant’s service with Holdings or any of its Subsidiaries prior to the Distribution Date to the same extent such service was recognized with respect to the corresponding Holdings Option immediately prior to the Distribution Date.

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#### Section 7.2 Time Based and Performance Based Restricted Stock Units.

(a) Each Holdings time-based restricted stock unit award or performance-based restricted stock unit award granted under the Holdings Stock Plans (including each deferred unit attributable to the deemed investment in Holdings Common Stock under a non-qualified deferred compensation plan) (a “Holdings Stock Unit Award”) that is outstanding immediately prior to the Distribution Date and that is held by a Holdings Employee, a Former Employee or a Holdings Participant who is a member of the Holdings Board of Directors shall be adjusted immediately following the close of market on the Distribution Date (and shall thereafter be referred to as a “Post-Distribution Holdings Stock Unit Award”) as follows:

(i) the number of shares of Holdings Common Stock subject to each Post-Distribution Holdings Stock Unit Award shall be equal to the product (rounded up to the nearest whole share) of (A) the number of shares of Holdings Common Stock subject to corresponding Holdings Stock Unit Award immediately prior to the Distribution Date and (B) a fraction, the numerator of which is the sum of the closing price of Holdings Common Stock as traded on an ex-distribution basis on the Distribution Date and the closing “when issued” price of New A&B Common Stock on the same trading day, and the denominator of which is the closing price of Holdings Common Stock as traded on an ex-distribution basis on the Distribution Date.

(ii) Each Post-Distribution Holdings Stock Unit Award shall be subject to the same terms, vesting conditions, issuance dates and method of distribution and other terms and conditions as were in effect immediately prior to the Distribution Date for the corresponding Holdings Stock Unit Award.

(iii) Notwithstanding the foregoing, the Compensation Committee of the Holdings Board of Directors shall adjust the performance-vesting requirements for any performance-based Post-Distribution Holdings Stock Units, in order to reflect the impact of the separation upon the performance goals previously established for such units.

(b) Each Holdings Stock Unit Award that is outstanding immediately prior to the Distribution Date and that is held by a New A&B Employee or a New A&B Participant who is a member of the New A&B Board of Directors at that time shall, immediately following the close of market on the Distribution Date, be cancelled and immediately replaced with a time-based restricted stock unit award or performance-based restricted stock unit award (or deferred stock unit) with respect to New A&B Common Stock (a “New A&B Stock Unit Award”) as follows:

(i) The number of shares of New A&B Common Stock subject to each New A&B Stock Unit Award shall be equal to the product (rounded up to the nearest whole share) of (A) the number of shares of Holdings Common Stock subject to the corresponding Holdings Stock Unit Award immediately prior to the Distribution Date and (B) a fraction, the numerator of which is the sum of the closing “when issued” price of New A&B Common Stock on the Distribution Date and the closing price of Holdings

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Common Stock as traded on an ex-distribution basis on the same trading day, and the denominator of which is the closing “when issued” price of New A&B Common Stock on the Distribution Date.

(ii) Each New A&B Stock Unit Award shall be subject to the same terms, vesting conditions, issuance dates and method of distribution and other terms and conditions that were in effect immediately prior to the Distribution Date for the corresponding Holdings Stock Unit Award. With respect to each New A&B Stock Unit Award, New A&B shall give each New A&B Participant full vesting service credit for such New A&B Participant’s service with Holdings or any of its Subsidiaries prior to the Distribution Date to the same extent such service was recognized with respect to the corresponding Holdings Stock Unit Award immediately prior to the Distribution Date.

(iii) Notwithstanding the foregoing, the Compensation Committee of the New A&B Board of Directors shall adjust the performance-vesting requirements for any performance-based New A&B Stock Units, in order to reflect the impact of the separation upon the performance goals previously established for such units.

Section 7.3 General.

(a) All of the foregoing adjustments shall be effected in accordance with Sections 424 and 409A of the Code.

(b) The Parties shall use reasonable best efforts to maintain effective registration statements with the SEC with respect to the awards described in this Article VII, to the extent any such registration statement is required by applicable Law.

**ARTICLE VIII**

**ADDITIONAL COMPENSATION MATTERS; SEVERANCE**

Section 8.1 Annual Incentive Awards.

(a) New A&B Assumption of Annual Incentive Liability. Prior to and effective as of the Distribution Date, New A&B shall assume or retain, as applicable, responsibility for all Liabilities and fully perform, pay and discharge in due course in full, all obligations relating to any annual incentive awards that any New A&B Participant is eligible to receive with respect to calendar year 2012 and, effective as of the Distribution Date, Holdings shall have no obligation with respect to any such annual incentive award.

(b) Holdings Assumption of Annual Incentive Liability. Prior to and effective as of the Distribution Date, Holdings shall assume or retain, as applicable, responsibility for all Liabilities and fully perform, pay and discharge in due course in full, all obligations relating to any annual incentive awards that any Holdings Participant is eligible to receive with respect to calendar year 2012 and, effective as of the Distribution Date, New A&B shall have no obligation with respect thereto.

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(c) Establishment of New A&B Annual Incentive Plans. Prior to and effective as of the Distribution Date, New A&B shall adopt annual incentive plans which shall permit the issuance of annual incentive awards on terms and conditions substantially comparable to those under the Holdings short-term incentive plans set forth on Schedule F hereto; provided that the payment amounts and individual performance criteria shall be established in the discretion of the New A&B Board of Directors and/or the Compensation Committee thereof.



(d) Adjustments of Performance Goals. The Compensation Committee of the Holdings Board of the Directors and the Compensation Committee of the New A&B Board of Directors, respectively, shall make adjustments to the performance goals previously established under outstanding annual incentive awards, in order to reflect the impact of the separation upon such performance goals, consistent with the requirements of Section 162(m) of the Code.

Section 8.2 Individual Arrangements.

(a) Holdings Individual Arrangements. Except as otherwise provided herein, Holdings shall assume or retain, as applicable, and shall have full responsibility with respect to any Liabilities and the payment or performance of any obligations arising out of or relating to, any employment, change in control, consulting, non-competition, retention or other compensatory arrangement previously entered into or provided by any member of the Matson Group or A&B Group to any Holdings Participant (the "Holdings Participant Agreements"). Effective as of the Distribution Date, New A&B shall take all steps necessary to assign to Holdings, and Holdings shall take all steps necessary to assume, all Liabilities in respect of the Holdings Participant Agreements.

(b) New A&B Individual Arrangements. Except as otherwise provided herein, New A&B shall assume or retain, as applicable, and shall have full responsibility with respect to any Liabilities and the payment or performance of any obligations arising out of or relating to, any employment, change in control, consulting, non-competition, retention or other compensatory arrangement previously entered into or provided by any member of the Matson Group or A&B Group to any New A&B Participant (the "New A&B Participant Agreements"). Effective as of the Distribution Date, Holdings shall take all steps necessary to assign to New A&B, and New A&B shall take all steps necessary to assume, all Liabilities in respect of the New A&B Participant Agreements.

Section 8.3 Severance Plans.

(a) Assumption of Severance Liabilities. Prior to and effective as of the Distribution Date (i) New A&B shall assume or retain, as applicable, responsibility for all Liabilities and fully perform, pay and discharge in due course in full, all obligations relating to any benefit to which a New A&B Participant is entitled under a Holdings Severance Plan and (ii) Holdings shall assume or retain, as applicable, responsibility for all Liabilities and fully perform, pay and discharge in due course in full all obligations relating to any benefit to which a Holdings Participant is entitled under a Holdings Severance Plan.

(b) Effect of the Separation on Severance. Holdings and New A&B acknowledge and agree that the transactions contemplated by the Separation Agreement will not constitute a termination of employment of any New A&B Participant for purposes of any policy, plan, program or agreement of Holdings or New A&B or any member of the Matson Group or A&B Group that provides for the payment of severance, separation pay, salary continuation or similar benefits in the event of a termination of employment.

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(c) Establishment of New A&B Severance Plans. Prior to and effective as of the Distribution Date, New A&B shall take all steps necessary to establish for New A&B employees of its United States subsidiaries severance plans (the "New A&B Severance Plans") which, with respect to terminations of employment occurring within the one-year period following the Distribution Date, provide severance benefits comparable to the severance benefits provided under the Holdings Severance Plans.

Section 8.4 Sections 162(m)/409A. Notwithstanding anything in this Agreement to the contrary (including the treatment of supplemental and deferred compensation plans, outstanding long-term incentive awards and annual incentive awards provided for herein), the Parties agree to cooperate in good faith regarding the need to provide treatment different from that otherwise provided herein to ensure that (i) a federal income tax deduction for the payment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation is not limited by reason of Section 162(m) of the Code, to the extent such award or compensation is intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code, and (ii) the treatment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation does not cause the imposition of a tax under Section 409A of the Code.

Section 8.5 Certain Director Fees. Holdings shall retain responsibility for the payment of any fees payable in respect of service on the Holdings Board of Directors that are payable but not yet paid as of the Distribution Date, and New A&B shall have no responsibility for any such payments (whether owed to an individual who is a member of the New A&B Board of Directors as of the Distribution Date or otherwise). New A&B shall retain responsibility for the payment of any fees payable in respect of service on the New A&B Board of Directors, and Holdings shall have no responsibility for any such payments (whether owed to an individual who is a member of the Holdings Board of Directors as of the Distribution Date or otherwise).

## ARTICLE IX

### GENERAL AND ADMINISTRATIVE

Section 9.1 Employer Rights. Nothing in this Agreement shall (i) prohibit New A&B or any of its Affiliates from amending, modifying or terminating any New A&B Benefit Plan at any time in its sole discretion or (ii) prohibit Holdings or any of its Affiliates from amending, modifying or terminating any Holdings Benefit Plan at any time in its sole discretion.

Section 9.2 No Rights to Employment. Nothing in this Agreement is intended to confer upon any employee or former employee of Holdings, New A&B or any of their respective Affiliates any right to continued employment, or any recall or similar rights to an individual on layoff or any type of approved leave.

Section 9.3 Continuation of Elections/Release Of Information/Right To Reimbursement. Effective as of the Distribution Date, New A&B and Holdings shall cause each New A&B Benefit Plan and each Holdings Benefit Plan, respectively, to recognize and maintain

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all existing elections and designations (including all beneficiary designations and all existing deferral and distribution elections under Section 409A of the Code) to the extent applicable. To the extent permitted by applicable Law, all authorizations for the release of information and rights to reimbursement made by or relating to New A&B Participants under Holdings Benefit Plans or by Holdings Participants under New A&B Benefit Plans shall be transferred to and be in full force and effect under the corresponding New A&B Benefit Plans or Holdings Benefit Plans, respectively, until such authorizations or rights are replaced or revoked by, or no longer apply to, the relevant New A&B Participant or Holdings Participant, as the case may be.

Section 9.4 No Change In Control. The Parties hereto acknowledge and agree that the transactions contemplated by the Separation Agreement and this Agreement do not constitute a “change in control” for purposes of any Holdings Benefit Plan or New A&B Benefit Plan.

## ARTICLE X

### INDEMNIFICATION

Section 10.1 General Indemnification. Any claim for indemnification under this Agreement shall be governed by, and be subject to, the provisions of Article IX of the Separation Agreement, which provisions are hereby incorporated by reference into this Agreement and any references to “Agreement” in such Article IX as incorporated herein shall be deemed to be references to this Agreement.

## ARTICLE XI

### MISCELLANEOUS

Section 11.1 Relationship Of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

Section 11.2 Notices. All notices, requests, permissions, waivers and other communications hereunder shall be provided in accordance with the provisions of Section 12.9 of the Separation Agreement.

Section 11.3 Amendments and Waivers.

(a) Subject to Section 11.1 of the Separation Agreement, this Agreement may not be amended except by an agreement in writing signed by both Parties.

(b) Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the Party entitled to the benefit thereof and any such waiver shall be validly and sufficiently given for the purposes of this Agreement if it is in writing signed by an authorized representative of such Party. No delay or failure in exercising any right, power or remedy hereunder shall affect or operate as a waiver thereof; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that either Party would otherwise have.

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Section 11.4 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Hawaii, without regard to any conflicts of law provisions thereof that would result in the application of the laws of any other jurisdiction.

Section 11.5 Titles and Headings. Titles and headings to Sections and Articles herein are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 11.6 Counterparts; Electronic Delivery. This Agreement may be executed in multiple counterparts, each of which when executed shall be deemed to be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Agreement or any other documents pursuant to this Agreement by facsimile or other electronic means shall be deemed to be, and shall have the same legal effect as, execution of an original signature and delivery in person.

Section 11.7 Assignability; Binding Effect. This Agreement is not assignable by either Party without the prior written consent of the other Party and any attempt to assign this Agreement without such consent shall be void and of no effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 11.8 Severability. If any term or other provision of this Agreement or Schedules attached hereto is determined by a nonappealable decision by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the court, administrative agency or arbitrator shall interpret this Agreement so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible. If any provision in this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

Section 11.9 Schedules. The Schedules attached hereto are incorporated herein by reference and shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

Section 11.10 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

**ALEXANDER & BALDWIN HOLDINGS, INC.**

By: /s/ Joel M. Wine  
Name: Joel M. Wine  
Title: Senior Vice President, Chief Financial Officer and Treasurer

**A & B II, INC.**

By: /s/ Stanley M. Kuriyama  
Name: Stanley M. Kuriyama  
Title: President and Chief Executive Officer

*[Signature Page to Employee Matters Agreement]*

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**SCHEDULE A**

**EXCLUDED FROM DEFINITION OF "HOLDINGS PARTICIPANT"**

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**SCHEDULE B**

**HOLDINGS SEVERANCE PLANS**

1. Alexander & Baldwin, Inc. Executive Severance Plan

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**SCHEDULE C**

**HOLDINGS WELFARE PLANS**

1. Group Life Insurance A&B
2. Adult Dental A&B Inc.
3. Community Group Medical Plan HMSA/Kaiser
4. Long Term Disability A&B
5. Business Travel Accident Insurance
6. Alexander & Baldwin, Inc. Flexible Benefits Program
7. Alexander & Baldwin, Inc. Severance Allowance
8. Alexander & Baldwin, Inc. Retiree Health and Welfare Benefit Plan
9. Transportation Benefit Plan

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**SCHEDULE D**

**HOLDINGS NONQUALIFIED PLANS**

1. Alexander & Baldwin, Inc. Deferred Compensation Plan
2. A&B Excess Benefits Plan
3. A&B 1985 Supplemental Executive Retirement Plan(1)

4. A&B Executive Survivor/Retirement Benefit Plan
5. A&B Retirement Plan for Outside Directors
6. A&B Deferred Compensation Plan for Outside Directors

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(1) Notwithstanding any provision of this Agreement to the contrary, New A&B shall not establish a new plan intended to mirror the A&B 1985 Supplemental Executive Retirement Plan in connection with the Separation.

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**SCHEDULE E**

**EXCLUDED FROM DEFINITION OF "NEW A&B PARTICIPANT"**

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**SCHEDULE F**

**HOLDINGS SHORT-TERM INCENTIVE PLANS**

1. Alexander & Baldwin, Inc. Annual Incentive Plan
  2. Alexander & Baldwin, Inc. One-Year Performance Incentive Plan
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**TAX SHARING AGREEMENT**

by and between

**ALEXANDER & BALDWIN HOLDINGS, INC.,**

and

**A & B II, INC.**

Dated as of June 8, 2011

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## TAX SHARING AGREEMENT

This Tax Sharing Agreement (this “Agreement”) is entered into as of June 8, 2012 by and between Alexander & Baldwin Holdings, Inc., a Hawaii corporation (“Holdings”), and A & B II, Inc., a Hawaii corporation and a direct, wholly owned subsidiary of Holdings (“New A&B”). Holdings and New A&B are sometimes referred to herein individually as a “Party,” and collectively as the “Parties.” Capitalized terms used herein and not otherwise defined have the respective meanings set forth in Article I.

### RECITALS

WHEREAS, the boards of directors of the Parties have each determined that it is appropriate and desirable to separate the A&B Businesses from the Matson Businesses and accordingly have caused the Parties to enter into the Separation and Distribution Agreement dated as of June 8, 2012 (the “Separation Agreement”);

WHEREAS, on June 6, 2012, Holdings and Old A&B consummated a holding company reorganization pursuant to which: (1) A&B Merger Corporation, a Hawaii corporation and a direct, wholly owned subsidiary of Holdings, merged with and into Old A&B (such merger, the “Holding Company Merger”), with Old A&B surviving the Holding Company Merger as a direct, wholly owned subsidiary of Holdings; and (2) promptly following consummation of the Holding Company Merger, Old A&B converted into a Hawaii limited liability company pursuant to Section 414-271 of the Hawaii Business Corporation Act (such conversion, the “Old A&B LLC Conversion” and, together with the Holding Company Merger, the “Holding Company Reorganization”) and was renamed Alexander & Baldwin, LLC (“A&B LLC”).

WHEREAS, following the Holding Company Reorganization, (a) A&B LLC was a direct, wholly owned Subsidiary of Holdings and (b) Matson Navigation Company, Inc., a Hawaii corporation (“Matson”), was a direct, wholly owned Subsidiary of A&B LLC;

WHEREAS, following the Holding Company Reorganization and prior to the date hereof, McBryde Sugar Company, Limited, a Hawaii corporation (“McBryde Sugar”): (a) converted to a Hawaii limited liability company pursuant to Section 414-271 of the Hawaii Business Corporation Act (the “McBryde LLC Conversion”) and was renamed McBryde Sugar Company, LLC (“McBryde LLC”); and (b) distributed 5.35% of the outstanding stock of ABHI-Crockett, Inc., a Hawaii corporation (“ABHI-Crockett”), to A&B LLC, as a result of which ABHI-Crockett became a direct, wholly owned Subsidiary of A&B LLC;

WHEREAS, following the Holding Company Reorganization and prior to the date hereof: (a) A&B LLC distributed (i) all of the outstanding stock of Matson to Holdings, as

a result of which Matson became a direct, wholly owned Subsidiary of Holdings and (ii) all of the outstanding stock of ABHI-Crockett to Holdings, as a result of which ABHI-Crockett became a direct, wholly owned Subsidiary of Holdings; and (b) Holdings contributed all of the outstanding equity interests of A&B LLC to New A&B (the “Contribution”), as a result of which A&B LLC became a direct, wholly owned Subsidiary of New A&B;

WHEREAS, prior to the Holding Company Reorganization Old A&B was, and following the Holding Company Reorganization, Holdings (as successor to Old A&B for United States federal income tax purposes) is the common parent of an affiliated group of corporations that files a consolidated United States federal income tax return;

WHEREAS, as set forth in the Separation Agreement, and subject to the terms and conditions thereof, the Parties currently intend to effect: (a) the separation of the Matson Businesses and the A&B Businesses pursuant to the Separation Agreement (together with the Contribution, the “Separation”); and (b) the distribution by Holdings to the holders of outstanding shares of common stock, without par value, of Holdings, on a *pro rata* basis,

of all of the outstanding shares of common stock, without par value, of New A&B, owned by Holdings as of the Distribution Date (which shall represent 100% of the issued and outstanding shares of New A&B common stock) (the “Distribution”);

WHEREAS, following the Distribution, (a) New A&B will be the common parent of an affiliated group of corporations that files a consolidated United States federal income tax return and (b) the currently existing affiliated group of which Holdings is the common parent will remain in existence with all of its previous members other than New A&B and the New A&B Affiliates;

WHEREAS, Old A&B has received a private letter ruling from the IRS (the “IRS Ruling”) to the effect that, among other things, for United States federal income tax purposes: (a) the Holding Company Reorganization will qualify as a reorganization within the meaning of section 368(a)(1)(F) of the Code and Old A&B and Holdings will each be a party to the reorganization under section 368(b) of the Code; (b) the McBryde LLC Conversion will be treated as a distribution by McBryde Sugar in complete liquidation under section 332 of the Code; and (c) the Separation and the Distribution, taken together, will qualify as a reorganization under section 368(a)(1)(D) and Holdings and New A&B will each be a party to the reorganization under section 368(b);

WHEREAS, the Parties desire to set forth their agreement on the rights and obligations, following the Distribution, of the members of the Holdings Tax Group, on the one hand, and the members of the New A&B Tax Group, on the other hand, with respect to (a) handling and allocating United States federal, state and local and foreign Taxes in periods beginning before the Distribution Date, (b) Taxes resulting from transactions effectuated in connection with the Separation and the Distribution and (c) various other Tax matters.

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NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, the Parties mutually covenant and agree as follows:

## ARTICLE I

### DEFINITIONS

“A&B Businesses” means the real estate development and ownership business and the agricultural production and processing business conducted by the A&B Group.

“A&B LLC” has the meaning set forth in the recitals to this Agreement.

“Affiliate” has the meaning set forth in Article I of the Separation Agreement.

“After Tax Amount” means any additional amount necessary to reflect (through a gross-up mechanism) the hypothetical Tax consequences of the receipt or accrual of any payment required to be made under this Agreement (including payment of an additional amount or amounts hereunder and the effect of the deductions available for interest paid or accrued and for Taxes such as state and local Income Taxes), determined by using the highest marginal corporate Tax rate (or rates, in the case of an item that affects more than one Tax) for the relevant Taxable Period (or portion thereof).

“Ancillary Agreements” has the meaning set forth in Section 3.5 of the Separation Agreement.

“Audit” means any audit, assessment of Taxes, or other examination by any Taxing Authority, proceeding, or appeal of such a proceeding relating to Taxes, whether administrative or judicial, including proceedings relating to competent authority determinations.

“Carryback” has the meaning set forth in Section 4.3(c).

“Code” means the Internal Revenue Code of 1986, as amended, and any successor thereto.

“Consolidated Return” means any Tax Return reflecting or reporting United States federal, state, local or foreign Income Taxes filed on a consolidated, combined, unitary or similar basis wherein New A&B and one or more New A&B Affiliates join in the filing of such Tax Return (for any Taxable Period or portion thereof) with Holdings and one or more Holdings Affiliates.

“Control” means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote.

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“Dispute Resolution Commencement Date” has the meaning set forth in Section 8.3.

“Dispute” has the meaning set forth in Section 8.3.

“Distribution” has the meaning set forth in the recitals to this Agreement.

“Distribution Date” means the date on which the Distribution occurs, such date to be determined by, or under the authority of, the Board of Directors of Holdings, in its sole and absolute discretion.

“Distribution Taxes” means any Taxes imposed on Holdings or any Holdings Affiliate resulting from, or arising in connection with, the failure of the Separation and/or the Distribution to be tax-free to Holdings or such Holdings Affiliate under sections 355 and 368(a)(1)(D) of the Code, as the case may be (including, without limitation, any Tax resulting from the application of section 355(d) or 355(e) of the Code to the Distribution) or corresponding provisions of the laws of any other jurisdictions. Each Tax referred to in the immediately preceding sentence shall be determined using the highest marginal federal and state corporate Income Tax rate for the relevant Taxable Period (or portion thereof).

“Employee Matters Agreement” has the meaning set forth in the Separation Agreement.

“Filing Party” has the meaning set forth in Section 7.1.

“Final Determination” means the final resolution of liability for any Tax for any Taxable Period, by or as a result of: (i) a final and unappealable decision, judgment, decree or other order by any court of competent jurisdiction; (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Code section 7121 or 7122, or a comparable agreement under the laws of other jurisdictions, which resolves the entire liability for such Tax for any Taxable Period; (iii) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered by the jurisdiction imposing the Tax; or (iv) any other final disposition, including by reason of the expiration of the applicable statute of limitations.

“Holding Company Reorganization” has the meaning set forth in the recitals to this Agreement.

“Holdings Affiliate” means any corporation or other entity directly indirectly Controlled by Holdings, but excluding New A&B and any New A&B Affiliate.

“Holdings Tax Group” means the Tax Group of which Holdings is the common parent.

“Income Tax” means any federal, state, local or foreign Tax based upon, measured by or calculated by reference to net income or profits, net receipts or gross receipts (regardless of whether denominated as an “income tax,” a “franchise tax” or otherwise).

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“Income Tax Return” means any Tax Return relating to Income Taxes.

“Indemnifiable Loss Deduction” has the meaning set forth in Section 5.3.

“Indemnified Loss” has the meaning set forth in Section 5.3.

“Indemnifying Party” has the meaning set forth in Section 5.3.

“Indemnitee” has the meaning set forth in Section 5.3.

“IRS” means the United States Internal Revenue Service or any successor thereto, including, but not limited to its agents, representatives, and attorneys.

“IRS Ruling” has the meaning set forth in the recitals to this Agreement.

“IRS Ruling Documents” means (1) the request for a private letter ruling under sections 332, 355, 368 and various other sections of the Code, filed by Old A&B with the IRS in connection with the Holding Company Reorganization, the McBryde LLC Conversion, the Separation and the Distribution, together with any supplemental filings or ruling requests or other materials subsequently submitted in connection with such request on behalf of Old A&B (or Holdings), its Subsidiaries and shareholders to the IRS, the appendices and exhibits thereto, and any rulings issued by the IRS to Old A&B (or Holdings) in response to such request or (2) any similar filings submitted to, or rulings issued by, any other Taxing Authority in connection with the Holding Company Reorganization, the McBryde LLC Conversion, the Separation or the Distribution.

“Matson” has the meaning set forth in the recitals to this Agreement.

“Matson Businesses” means the ocean transportation operations, related shoreside operations in Hawaii and intermodal, truck brokerage and logistics services conducted by Matson and the Matson Subsidiaries.

“Matson Group” means, for any relevant time beginning immediately after the Distribution, Holdings and each Subsidiary of Holdings at such time.

“Matson Group Member” means Holdings, each Person that is a Subsidiary of Holdings immediately after the Distribution, and each Person that becomes a Subsidiary of Holdings after the Distribution.

“McBryde Sugar” has the meaning set forth in the recitals to this Agreement.

“McBryde LLC” has the meaning set forth in the recitals to this Agreement.

“McBryde LLC Conversion” has the meaning set forth in the recitals to this Agreement.

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“New A&B Affiliate” means any corporation or other entity directly or indirectly Controlled by New A&B.

“New A&B Group” means, for any relevant period beginning immediately after the Distribution, New A&B and each Subsidiary of New A&B at that time.

“New A&B Group Member” means New A&B, each Person that is a Subsidiary of New A&B immediately after the Distribution and each Person that becomes a Subsidiary of New A&B after the Distribution.



“New A&B Tax Group” means the Tax Group of which New A&B is the common parent.

“Non-Income Distribution Taxes” means any Taxes other than Income Taxes imposed on any Party as a result of or in connection with the Distribution that would not have been imposed but for the Distribution.

“Old A&B” means Alexander & Baldwin, Inc., a Hawaii corporation, and the owner of one hundred percent (100%) of the outstanding capital stock of Holdings at all times prior to the Holding Company Merger.

“Old A&B LLC Conversion” has the meaning set forth in the recitals to this Agreement.

“Owed Party” has the meaning set forth in Section 6.1.

“Owing Party” has the meaning set forth in Section 6.1.

“Payment Period” has the meaning set forth in Section 6.5.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

“Post-Distribution Period” means a Taxable Period (or portion thereof) beginning after the Distribution Date.

“Pre-Distribution Period” means a Taxable Period (or portion thereof) ending on or before the Distribution Date.

“Prohibited Act” has the meaning set forth in Section 4.4.

“Representation Letter” means an officer’s certificate in which certain representations, warranties and covenants are made on behalf of Holdings, A&B, LLC and New A&B in connection with the issuance of the Tax Opinion.

“Restated Tax Saving Amount” has the meaning set forth in Section 5.4.

“Restricted Period” has the meaning set forth in Section 4.4.

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“Separation” has the meaning set forth in the recitals to this Agreement.

“Separation Agreement” has the meaning set forth in the recitals to this Agreement.

“Separation Date” means the later of the effective date and time of (1) the Contribution and (2) the transfers of property, assumption of liability, license, undertaking or agreement in connection with the separation of the Matson Businesses and the A&B Businesses, as set forth in the Separation Agreement.

“Refund” means any refund (or credit in lieu thereof) of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied to other Taxes payable), including any interest paid on or with respect to such refund of Taxes; provided, however, that for purposes of this Agreement, the amount of any Refund required to be paid to another Party shall be reduced by the net amount of any Income Taxes imposed on, related to, or attributable to, the receipt or accrual of such Refund.

“Straddle Period” means a Taxable Period that begins on or before and ends after the Distribution Date.

“Subsidiary” means, with respect to any specified Person, any corporation, partnership, limited liability company, joint venture or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such specified Person or by any one or more of its Subsidiaries, or by such specified Person and one or more of its Subsidiaries.

“Supplemental IRS Ruling Documents” means (1) any request for a Supplemental IRS Ruling and any materials, appendices and exhibits submitted or filed therewith and any Supplemental IRS Rulings issued by the IRS to Old A&B or Holdings in response to any such request and (2) any similar filings submitted to, or rulings issued by, any other Taxing Authority in connection with the Holding Company Reorganization, the McBryde LLC Conversion, the Separation or the Distribution.

“Supplemental IRS Ruling” means (1) any ruling issued by the IRS in connection with the Holding Company Reorganization, the McBryde LLC Conversion, the Separation or the Distribution, other than a ruling in response to Old A&B’s initial request for the IRS Ruling, and (2) any similar ruling issued by any other Taxing Authority addressing the application of the laws of another jurisdiction to the Holding Company Reorganization, the McBryde LLC Conversion, the Separation or the Distribution.

“Tax” and “Taxes” include all taxes, charges, fees, duties, levies, imposts or other assessments imposed by any federal, state, local or foreign Taxing Authority, including, but not limited to, income, gross receipts, excise, property, sales, use, license, capital stock, transfer, franchise, payroll, withholding, social security, value added and other taxes, and any interest, penalties or additions attributable thereto.

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“Tax Asset” means any Tax Item that has accrued for Tax purposes, but has not been used during a Taxable Period, and that could reduce a Tax in another Taxable Period, including, but not limited to, a net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction, credit related to alternative minimum tax and any other Tax credit.

“Tax Benefit” means a reduction in the Tax liability of a taxpayer for any Taxable Period. A Tax Benefit shall be deemed to have been realized or received from a Tax Item in a Taxable Period only if and to the extent that the Tax liability of the taxpayer for such period, after taking into account the effect of the Tax Item on the Tax liability of such taxpayer in the current period and all prior periods, is less than it would have been if such Tax liability were determined without regard to such Tax Item.

“Tax Detriment” means an increase in the Tax liability of a taxpayer for any Taxable Period. A Tax Detriment shall be deemed to have been realized or received from a Tax Item in a Taxable Period only if and to the extent that the Tax liability of the taxpayer for such period, after taking into account the effect of the Tax Item on the Tax liability of such taxpayer in the current period and all prior periods, is more than it would have been if such Tax liability were determined without regard to such Tax Item.

“Tax Group” means any United States federal, state, local or foreign affiliated, consolidated, combined, unitary or similar group or fiscal unity that joins in the filing of a single Tax Return.

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit or any other attribute or item (including the adjusted basis of property) that may have the effect of increasing or decreasing any Tax.

“Tax Opinion” means an opinion issued to Holdings by Skadden, Arps, Slate, Meagher & Flom LLP (which opinion will rely upon the effectiveness of the IRS Ruling), in form and substance acceptable to the Parties substantially to the effect that, among other things, the Separation and the Distribution, taken together, will qualify as a reorganization under section 368 of the Code.

“Tax Return” means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, amended tax return, claim for refund or declaration of estimated tax) supplied or required to be supplied to, or filed or required to be filed with, a Taxing Authority in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Tax Saving Amount” has the meaning set forth in Section 5.3.

“Tax Services” has the meaning set forth in Section 2.5(a).

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“Taxable Period” means any period for which a liability for Tax is determined.

“Taxing Authority” means any governmental authority or any subdivision, agency, commission or authority thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

“Transition Services Agreement” means the Transition Services Agreement between Holdings and New A&B dated as of June 8, 2012.

“Treasury Regulations” means the final and temporary (but not proposed) income tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

## ARTICLE II

### **PREPARATION AND FILING OF TAX RETURNS**

Section 2.1 Holdings' Responsibility. Holdings shall have sole and exclusive responsibility for the preparation and filing of:

- (a) all Consolidated Returns;
- (b) all Tax Returns that include only Holdings and/or any Holdings Affiliate; and
- (c) any Tax Returns required to be filed for a Taxable Period ending on or before, or that includes, the Distribution Date that are not otherwise described in Section 2.1 or Section 2.2.

Section 2.2 New A&B's Responsibility. New A&B shall have sole and exclusive responsibility for the preparation and filing of all Tax Returns that include only New A&B and/or any New A&B Affiliate.

Section 2.3 Agent. Subject to the other applicable provisions of this Agreement, New A&B hereby irrevocably designates, and agrees to cause each New A&B Affiliate to so designate, Holdings as its sole and exclusive agent and attorney-in-fact to take such actions (including execution of documents) as are appropriate in any and all matters (including Audits) relating to any Tax Return described in Section 2.1(a) or Section 2.1(c).

Section 2.4 Manner of Tax Return Preparation.

(a) Unless otherwise required by a Taxing Authority or by applicable law, the Parties shall prepare and file all Tax Returns, and take all other actions, in a manner consistent with this Agreement, the Separation Agreement, the IRS Ruling Documents and any Supplemental IRS Ruling Documents. All Tax Returns shall be filed on a timely basis (taking into account applicable extensions) by the Party responsible for filing such Tax Returns under this Agreement.

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(b) Subject to Section 2.4(a), Holdings and New A&B shall, with respect to any Tax Return described in Section 2.1(a), cooperate in good faith to jointly determine: (1) the manner in which such Tax Return shall be prepared and filed, including the elections, methods of accounting, positions, conventions and principles of taxation to be used and the manner in which any Tax Item shall be reported; (2) whether any extensions may be requested; (3) the elections that will be made on such Tax Return; (4) whether any amended Tax Return(s) shall be filed; (5) whether any claim(s) for refund shall be made; (6) whether any refund shall be paid by way of refund or credited against any liability for the related Tax; and (7) whether to retain outside firms to prepare or review such Tax Returns. The Parties shall negotiate in good faith to resolve any Dispute regarding the filing of any Tax Return described in Section 2.1(a) or Section 2.1(c). Any Dispute that the Parties are unable to resolve shall be settled through the dispute resolution procedure set forth in Section 8.3; provided, however, that if any Dispute regarding the filing of any Tax Return described in Section 2.1(a) or Section 2.1(c) is not resolved at least three (3) days prior to the final due date (including applicable extensions) for such Tax Return, such Tax Return shall be filed as determined by Holdings, and an amended Tax Return shall be filed promptly upon completion of the dispute resolution procedure if necessary to give effect to the resolution of the matter pursuant to Section 8.3.

(c) Within ninety (90) days after filing the Holdings Tax Group Consolidated Return for the tax year that includes the Distribution Date, Holdings shall notify New A&B of the Tax attributes associated with New A&B and the other members of the New A&B Group, and the Tax bases of the assets and liabilities, transferred to New A&B for United States federal income tax purposes pursuant to the Contribution and the transactions contemplated by the Separation Agreement. Holdings shall provide New A&B with preliminary estimates of such information on or before January 20, 2013.

#### Section 2.5 Tax Services.

(a) In General. It is the intention of the Parties that except as specifically provided herein, the Transition Services Agreement shall govern the provision of tax services by Holdings to New A&B and the other members of the New A&B Group (the "Tax Services").

(b) Right to Review. Holdings shall provide or cause to be provided any Tax Return (or portion or excerpt thereof relating exclusively to New A&B or its Subsidiaries) to be filed by Holdings on behalf of New A&B pursuant to Holdings' provision of Tax Services at least ten (10) business days prior to the due date of such Tax Return, including extensions. New A&B shall have the right to comment on any such Tax Return (or portion or excerpt thereof, as applicable), and Holdings shall reasonably consider New A&B's comments. Any disagreement regarding the content of such a Tax Return shall be resolved as set forth in Section 2.4(b).

(c) Information. Holdings shall provide or cause to be provided to New A&B copies of all Tax Returns (or portions or excerpts thereof relating exclusively to New A&B or its Subsidiaries) filed on behalf of New A&B, in each case within fifteen (15) days of filing, pursuant to Holdings' provision of Tax Services, and shall promptly provide any notices or communications from any Taxing Authority relating to any Tax or Tax Return of New A&B or its Subsidiaries covered by the Tax Services.

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(d) List of Tax Returns. As soon as practicable after the Distribution Date, Holdings shall provide to New A&B an updated list of all Tax Returns to be filed by Holdings on behalf of New A&B or its Subsidiaries pursuant to Section 2.1(a) or Section 2.1(c).

### ARTICLE III

#### LIABILITY FOR TAXES

Section 3.1 Holdings' Liability. Holdings shall be liable for all Taxes due with respect to all Tax Returns described in (a) Section 2.1(a) or Section 2.1(c), but only to the extent that such Taxes relate to or are imposed upon the Matson Businesses, or, in the case of combined state Taxes, to the extent of the Matson Businesses' relative contribution to state taxable income, and (b) Section 2.1(b). Holdings shall be liable for any Tax deficiency assessed with respect to the portion of such Tax Returns for which it is responsible. Holdings shall be entitled to receive and retain all Refunds of Taxes previously paid by Holdings or any of its Subsidiaries with respect to Taxes described in this Section 3.1.

Section 3.2 New A&B's Liability. New A&B shall be liable for all Taxes due with respect to Tax Returns described in (a) Section 2.1(a) or Section 2.1(c), but only to the extent that such Taxes relate to or are imposed upon the A&B Businesses, or, in the case of combined state Taxes, to the extent of the A&B Businesses' relative contribution to state taxable income, and (b) Section 2.2. New A&B shall be liable for any Tax deficiency assessed with respect to the portion of such Tax Returns for which it is responsible. New A&B shall be entitled to receive and retain all Refunds of Taxes previously paid by New A&B or any of its Subsidiaries with respect to Taxes described in this Section 3.2.

Section 3.3 Subsequent Adjustments. If, as a result of any payment by Holdings of a Tax in connection with an Audit, adjustment, or amended Tax Return described in Section 2.1, New A&B receives a reciprocal (*i.e.*, arising directly from such adjustment) net Tax Benefit, New A&B shall pay the amount of such Tax Benefit to Holdings. If, as a result of any payment by New A&B of a Tax in connection with an Audit, adjustment, or amended Tax Return described in Section 2.1 or Section 2.2, Holdings receives a reciprocal net Tax Benefit, Holdings shall pay the amount of such Tax Benefit to New A&B.

### ARTICLE IV

#### DISTRIBUTION TAXES AND ALLOCATION

#### Section 4.1 Distribution Taxes.

(a) Holdings' Liability for Distribution Taxes. Notwithstanding Article III, Holdings shall be liable for one hundred percent (100%) of any Distribution Taxes that are attributable to, or result from, one or more of the following:

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(i) any action or omission by any Matson Group Member that is materially inconsistent with any material or information, or that constitutes a material breach of any material covenant or material representation, pertaining to any Matson Group Member in the IRS Ruling Documents, the IRS Ruling, any Supplemental IRS Ruling Documents, any Supplemental IRS Ruling or the Representation Letter;

(ii) any action or omission by any Matson Group Member after the Distribution Date, including, without limitation, a cessation, transfer to affiliates, or disposition of its active trades or businesses, or an issuance of stock, stock buyback or payment of an extraordinary dividend by any Matson Group Member following the Distribution;

(iii) any acquisition of any stock or assets of any Matson Group Member by one or more other Persons occurring prior to or following the Distribution; or

(iv) any issuance of stock by any Matson Group Member, or change in ownership of stock in any Matson Group Member, that causes section 355(d) or section 355(e) of the Code to apply to the Distribution.

(b) New A&B's Liability for Distribution Taxes. Notwithstanding Article III, New A&B shall be liable for one hundred percent (100%) of any Distribution Taxes that are attributable to, or result from, one or more of the following:

(i) any action or omission by any New A&B Group Member that is materially inconsistent with any material or information, or that constitutes a material breach of any material covenant or material representation, pertaining to any New A&B Group Member in the IRS Ruling Documents, the IRS Ruling, any Supplemental IRS Ruling Documents, any Supplemental IRS Ruling or the Representation Letter;

(ii) any action or omission by any member of the New A&B Group after the Distribution Date, including without limitation, a cessation, transfer to affiliates or disposition of its active trades or businesses, or an issuance of stock, stock buyback or payment of an extraordinary dividend by any member of the New A&B Group following the Distribution;

(iii) any acquisition of any stock or assets of any member of the New A&B Group by one or more other Persons following the Distribution; or

(iv) any issuance of stock by any member of the New A&B Group, or change in ownership of stock in any member of the New A&B Group, that causes section 355(d) or section 355(e) of the Code to apply to the Distribution.

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(c) First Party Responsible. The first party to act or fail to act in a manner that results in the imposition of Distribution Taxes shall be liable for one hundred percent (100%) of such Distribution Taxes pursuant to Section 4.1(a) or 4.1(b), as applicable; provided, that if such first party is able to act, and does act, in a manner that results in Distribution Taxes not being imposed, then such first party shall not be liable for any Distribution Taxes imposed as a result of any act or omission by the other party subsequent to the first party's action or omission.

(d) No Party Responsible. If Distribution Taxes are imposed and no Party bears responsibility for the imposition of such taxes under Section 4.1(c), then New A&B shall be liable for fifty percent (50%) of such Distribution Taxes pursuant to Section 4.1(a) or 4.1(b), and Holdings shall be liable for fifty percent (50%), of such Distribution Taxes pursuant to Section 4.1(a) or 4.1(b).

(e) Liability for Non-Income Distribution Taxes. The liability for any Non-Income Distribution Taxes shall be borne by New A&B only if such liability arises with respect to assets transferred to New A&B by Holdings or any Holdings Affiliate pursuant to the Separation. The liability for all other Non-Income Distribution Taxes shall be borne by Holdings.

#### Section 4.2 Private Letter Rulings; Tax Opinion.

(a) Information. Holdings has provided New A&B with copies of the IRS Ruling Documents submitted on or prior to the date specified in the preamble to this Agreement, and shall provide New A&B with copies of any IRS Ruling Documents or Supplemental IRS Ruling Documents prepared after such date prior to the submission of such IRS Ruling Documents or Supplemental IRS Ruling Documents, as applicable, to a Taxing Authority. Holdings shall provide New A&B with a copy of the IRS Ruling, a copy of the Representation Letter and a copy of the Tax Opinion.

(b) Cooperation by New A&B. New A&B shall cooperate with Holdings, and shall take any and all actions reasonably requested by Holdings, in connection with (i) Holdings' submission of any IRS Ruling Documents prepared after the date specified in the preamble to this Agreement and (ii) Holdings' request for the Tax Opinion.

(c) Supplemental IRS Rulings.

(i) In General. At the reasonable request of New A&B, Holdings shall cooperate with New A&B and use its reasonable best efforts to seek to obtain, as expeditiously as possible, a Supplemental IRS Ruling or other guidance from the IRS or any other Taxing Authority for the purpose of confirming the continuing validity of any ruling issued by any Taxing Authority addressing the application of the law to the Distribution; provided that Holdings shall not be obligated to seek a Supplemental IRS Ruling if it reasonably believes that seeking such Supplemental IRS Ruling would adversely affect Holdings, its shareholders or any other Matson Group Member. In no event shall Holdings be required to file any Supplemental IRS Ruling Documents unless New A&B represents that (A) it has read the Supplemental IRS Ruling Documents and (B)

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all information and representations, if any, relating to New A&B and the other members of the A&B Group contained in the Supplemental IRS Ruling Documents are true, correct and complete in all material respects. New A&B shall reimburse Holdings for all reasonable costs and expenses incurred by Holdings and any other Matson Group Member in obtaining a Supplemental IRS Ruling requested by New A&B. New A&B shall not

seek any guidance (whether written or oral) from the IRS or any other Taxing Authority concerning the Distribution except as set forth in this Section 4.2(c).

(ii) Participation Rights. If Holdings requests a Supplemental IRS Ruling or other guidance after the date specified in the preamble to this Agreement: (A) Holdings shall keep New A&B informed in a timely manner of all material actions taken or proposed to be taken by Holdings in connection therewith; (B) Holdings shall (1) reasonably in advance of the submission of any such Supplemental IRS Ruling Documents provide New A&B with a draft thereof, (2) reasonably consider New A&B's comments to such draft, (3) provide New A&B with a final copy of the Supplemental IRS Ruling Documents, (4) provide New A&B with notice reasonably in advance of, and New A&B shall have the right to attend, any meetings with the Taxing Authority (subject to the approval of the Taxing Authority) that relate to such Supplemental IRS Ruling and (5) provide New A&B with a copy of such Supplemental IRS Ruling.

#### Section 4.3 Carrybacks.

(a) The carryback of any loss, credit or other Tax Asset from any Post-Distribution Period shall be in accordance with the provisions of the Code and Treasury Regulations (and any applicable state, local or foreign laws).

(b) Except to the extent otherwise consented to by Holdings (such consent not to be unreasonably withheld, conditioned or delayed) or prohibited by applicable law, New A&B shall elect to relinquish, waive or otherwise forgo the carryback of any loss, credit or other Tax Asset from any Post-Distribution Period to any Pre-Distribution Period or Straddle Period (a "Carryback"). In the event that New A&B (or the appropriate member of the New A&B Group) is prohibited by applicable law to relinquish, waive or otherwise forgo a Carryback (or Holdings consents to a Carryback), Holdings shall cooperate with New A&B, at New A&B's expense, in seeking from the appropriate Taxing Authority such Refund as reasonably would result from such Carryback, to the extent that such Refund is directly attributable to such Carryback, and shall pay over to New A&B the amount of such Refund within ten (10) days after such Refund is received; provided, however, that New A&B shall indemnify and hold the members of the Matson Group harmless from and against any and all collateral Tax consequences resulting from or caused by any such Carryback, including, without limitation, the loss or postponement of any benefit from the use of Tax Assets generated by a Matson Group Member if (i) such Tax Assets expire unutilized, but would have been utilized but for such Carryback, or (ii) the use of such Tax Assets is postponed to a later taxable period than the taxable period in which such Tax Assets would have been utilized but for such Carryback.

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#### Section 4.4 Continuing Covenants.

(a) In General. Each of Holdings and New A&B (1) shall not take, and shall not cause or permit any of its Subsidiaries to take, any action reasonably expected to result in an increased Tax liability to the other, a reduction in a Tax Asset of the other or an increased liability to the other under this Agreement and (2) shall take, or shall cause its Subsidiaries to take, any action reasonably requested by the other that would reasonably be expected to result in a Tax Benefit or avoid a Tax Detriment to the other, provided that such action does not result in any additional cost not fully compensated for by the requesting Party. The Parties hereby acknowledge that the preceding sentence is not intended to limit, and therefore shall not apply to, the rights of the Parties with respect to matters otherwise covered by this Agreement.

#### (b) Distribution Tax Liabilities.

(i) For 24 months following the Distribution Date (the "Restricted Period"), neither Holdings nor New A&B shall (A) redeem or otherwise repurchase any capital stock other than pursuant to open market stock repurchase programs meeting the requirements of Section 4.05(1)(b) of Rev. Proc. 96-30, 1996-1 C.B. 696, or (B) enter into any agreements or arrangements with respect to transactions or events (including, but not limited to, capital contributions or acquisitions, entering into any partnership or joint venture arrangements, stock issuances, stock acquisitions, option grants, or a series of such transactions or events (but excluding the Distribution)), in the case of each of clauses (A) and (B) above that, if considered part of a plan that includes the Distribution would result in one or more persons acquiring, directly or indirectly, stock of Holdings or New A&B representing a "50-percent or greater interest" therein within the meaning of section 355(d)(4) of the Code (any act inconsistent with the intended tax-free treatment of the Distribution described in the Tax Opinion and any act described in clauses (A) and (B) above, collectively, a "Prohibited Act"). Notwithstanding the foregoing, the following shall not be considered a Prohibited Act: (x) the issuance of any compensatory stock or compensatory stock options, the issuance of any stock pursuant to any equity award, compensatory option, or restricted stock unit, or the repurchase of any restricted stock, if such issuance or repurchase satisfies the conditions of Treasury Regulation § 1.355-7(d)(8)(i); or (y) the issuance of stock to a retirement plan qualified under section 401(a) or 403(a) of the Code in a transaction that satisfies the requirements of Treasury Regulation § 1.355-7(d)(9).

(ii) Notwithstanding the foregoing, Holdings or New A&B, as the case may be, may take any of the Prohibited Acts, subject to Section 4.1, if it: (A) first obtains (at its expense) an opinion, in form and substance reasonably acceptable to the other Party, of a nationally recognized law firm or accounting firm reasonably acceptable to the other Party, which opinion may be based on usual and customary factual representations, or (B) obtains a supplemental ruling from the IRS, in each case that such Prohibited Act(s), and any transaction related thereto, will not affect (x) the qualification of the Separation and the Distribution under section 355 and section 368(a)(1)(D) of the

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Code and (y) the nonrecognition of gain to Holdings or to New A&B in the Separation and the Distribution. Holdings or New A&B may also take any of the Prohibited Acts, subject to Section 4.1, with the written consent of the other Party its sole and absolute discretion. During the Restricted Period, Holdings and New A&B shall provide, and shall cause their respective Affiliates to provide, all information reasonably requested by the other Party relating to any transaction involving an acquisition (directly or indirectly) of such other Party's stock within the meaning of section 355(e) of the Code. The Parties acknowledge that the payment of monetary compensation would not be an adequate remedy for a breach of the obligations described in the Prohibited Acts, and each of Holdings and New A&B consents to the issuance and entry of an injunction to prevent a breach of the obligations contained in the Prohibited Acts, subject to the waiver and consent described in the preceding sentence.

(iii) Notwithstanding anything in this Agreement to the contrary, (A) New A&B shall be responsible for, and shall indemnify and hold Holdings harmless from, any Distribution Taxes resulting from any Prohibited Act taken by New A&B or any of its Affiliates, regardless of whether the exception contained in Section 4.4(b)(ii) is satisfied with respect to such act, and (B) Holdings shall be responsible for, and shall indemnify and hold New A&B harmless from, any Distribution Taxes resulting from any Prohibited Act taken by Holdings or any of its Affiliates, regardless of whether the exception contained in Section 4.4(b)(ii) is satisfied with respect to such act.

(c) Holdings shall not cause or permit Matson to convert to a limited liability company or liquidate at any time during the Restricted Period.

#### Section 4.5 Allocation of Tax Assets.

(a) Holdings and New A&B shall cooperate, each at its own expense, in determining the allocation of any Tax Assets or Tax liabilities among the Parties in accordance with the Code and Treasury Regulations (and any applicable state, local and foreign laws). In the absence of controlling legal authority or unless otherwise provided under this Agreement, Tax Assets or Tax liabilities shall be allocated to the legal entity that incurred the cost or burden associated with the creation of such Tax Assets or Tax liabilities. Holdings and New A&B hereby agree to compute all Taxes for Post-Distribution Periods and Straddle Periods consistently with the determinations made pursuant to this Section 4.5 unless otherwise required by a Final Determination.

(b) To the extent that the amount of any Tax Asset is later reduced or increased by a Taxing Authority, or as a result of an Audit or carrybacks of Tax Assets from Post-Distribution Periods of either the Holdings Tax Group or the New A&B Tax Group, such reduction or increase shall be allocated to the Party to which such Tax Attribute was allocated pursuant to Section 4.5(a)

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#### Section 4.6 Allocation of Certain Tax Items.

(a) Allocation Between Taxable Periods. If applicable law requires the Taxable Period of any New A&B Group Member that was a member of the Holdings Tax Group prior to the Distribution Date to end as of the close of the Distribution Date, then Tax Items shall be included in each Taxable Period in accordance with Treasury Regulation § 1.1502-76(b)(2)(i) with no election under Treasury Regulation § 1.1502-76(b)(2)(ii).

(b) Allocation Within a Straddle Period. If applicable law does not require the Taxable Period of New A&B and each New A&B Group Member that was a member of the Holdings Tax Group prior to the Distribution Date to end as of the close of the Distribution Date, then the amount of Tax Items attributable to each portion of the Straddle Period shall be determined by means of a closing of the books and records of such New A&B Group Member as of the close of the Distribution Date; provided, that exemptions, allowances or deductions that are calculated on an annual or periodic basis shall be allocated between such portions in proportion to the number of days in each such portion.

(c) Extraordinary Transactions. Notwithstanding anything to the contrary in this Agreement, for all Tax purposes, the Parties shall report any transaction that is outside the ordinary course of the normal day-to-day operations of the A&B Businesses that is undertaken, caused or permitted by any New A&B Group Member that occurs on the Distribution Date but after the Distribution as occurring on the date after the Distribution Date pursuant to Treasury Regulation § 1.1502-76(b)(1)(ii)(B) or any similar or analogous provision of state, local or foreign law. Holdings shall not make a ratable allocation election pursuant to Treasury Regulation § 1.1502-76(b)(2)(ii)(D) or any similar or analogous provision of state, local or foreign law for the tax year in which the Distribution occurs.

#### Section 4.7 Tax Treatment of Equity-Related Compensation.

(a) Holdings or another member of the Holdings Tax Group shall be entitled to claim any Tax deduction relating to (i) the exercise of an option award to purchase Holdings stock, (ii) the vesting of a restricted performance stock right award or restricted stock right award with respect to Holdings stock and (iii) the payment of a cash performance unit award with respect to Holdings stock, in each case, held by an employee or former employee of Holdings or such other member of the Holdings Tax Group at the time of such exercise, vesting or payment.

(b) New A&B or another member of the New A&B Tax Group shall be entitled to claim any Tax deduction relating to (i) the exercise of an option award to purchase New A&B stock, (ii) the vesting of a restricted performance stock right award or restricted stock right award with respect to New A&B stock and (iii) the payment of a cash performance unit award with respect to New A&B stock, in each case, held by an employee or former employee of New A&B or such other member of the New A&B Tax Group at the time of such exercise, vesting or payment.

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## ARTICLE V

### INDEMNIFICATION

Section 5.1 Generally. The Holdings Tax Group shall jointly and severally indemnify New A&B, each New A&B Affiliate, and their respective directors, officers and employees, and hold them harmless from and against any and all Taxes or Tax deficiencies for which Holdings or any Holdings Affiliate is liable under this Agreement and any loss, cost, damage or expense, including reasonable attorneys' fees and costs, that are attributable to, or result from the failure of Holdings or any director, officer or employee to make any payment required to be made under this Agreement. The New A&B Tax Group shall jointly and severally indemnify Holdings, each Holdings Affiliate, and their respective directors, officers and employees, and hold them harmless from and against any and all Taxes or Tax deficiencies for which New A&B or any New A&B Affiliate is liable under this Agreement and any loss, cost, damage or expense, including reasonable attorneys' fees and costs, that is attributable to, or results from, the failure of New A&B, any New A&B Affiliate or any director, officer or employee to make any payment required to be made under this Agreement.

Section 5.2 Inaccurate, Incomplete or Untimely Information. The Holdings Tax Group shall jointly and severally indemnify New A&B, each New A&B Affiliate, and their respective directors, officers and employees, and hold them harmless from and against any loss, cost, damage, fine,

penalty, or other expense of any kind attributable to the negligence of Holdings or any Holdings Affiliate in supplying New A&B or any New A&B Affiliate with inaccurate, incomplete or untimely information, in connection with the preparation of any Tax Return. The New A&B Tax Group shall jointly and severally indemnify Holdings, each Holdings Affiliate, and their respective directors, officers and employees, and hold them harmless from and against any loss, cost, damage, fine, penalty, or other expense of any kind attributable to the negligence of New A&B or any New A&B Affiliate in supplying Holdings or any Holdings Affiliate with inaccurate, incomplete or untimely information, in connection with the preparation of any Tax Return.

Section 5.3 Adjustments to Payments. Any Party that is entitled to receive a payment (the “Indemnitee”) under this Agreement from another Party (the “Indemnifying Party”) with respect to any Taxes, losses, costs, damages or expenses suffered or incurred by the Indemnitee (an “Indemnified Loss”) shall pay to such Indemnifying Party, or the Indemnifying Party shall pay to the Indemnitee, as applicable, an amount equal to the difference between any “Tax Saving Amount” actually realized by the Indemnitee in the year of the payment and the amount of the Indemnified Loss. For purposes of this Section 5.3, the “Tax Saving Amount” shall equal the amount by which the Income Taxes of the Indemnitee or any of its affiliates are reduced (including, without limitation, through the receipt of a refund, credit or otherwise), plus any related interest received by the Indemnitee (net of Tax) from a Taxing Authority, as a result of claiming as a deduction or offset on any relevant Tax Return amounts attributable to an Indemnified Loss (the “Indemnifiable Loss Deduction”).

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Section 5.4 Reporting of Indemnifiable Loss. In the event that an Indemnitee incurs an Indemnified Loss, such Indemnitee shall claim as a deduction or offset on any relevant Tax Return (including, without limitation, any claim for refund) such Indemnified Loss to the extent such position is supported by “substantial authority” (within the meaning of Section 1.6662-4(d) of the Treasury Regulations) with respect to United States federal, state and local Tax Returns or has similar appropriate authoritative support with respect to any Tax Return other than a United States federal, state or local Tax Return. Except as otherwise provided in this Agreement, the Indemnitee shall have primary responsibility for the preparation of its Tax Returns and reporting thereon such Indemnifiable Loss Deduction; provided, that the Indemnitee shall consult with, and provide the Indemnifying Party with a reasonable opportunity to review and comment on the portion of the Indemnitee’s Tax Return relating to the Indemnified Loss. If a Dispute arises between the Indemnitee and the Indemnifying Party as to whether there is “substantial authority” (with respect to United States federal, state and local Tax Returns) or similar appropriate authoritative support (with respect to any Tax Return other than a United States federal, state or local Tax Return) for the claiming of an Indemnifiable Loss Deduction, such Dispute shall be resolved in accordance with the principles and procedures set forth in Section 8.3. Holdings and New A&B shall act in good faith to coordinate their Tax Return filing positions with respect to the Taxable Periods that include an Indemnifiable Loss Deduction. Any Tax Saving Amount calculated under Section 5.3 hereof shall be adjusted in the event of an Audit which results in a Final Determination that increases or decreases the amount of the Indemnifiable Loss Deduction reported on any relevant Tax Return of the Indemnitee. The Indemnitee shall promptly inform the Indemnifying Party of any such Audit and shall attempt in good faith to sustain the Indemnifiable Loss Deduction at issue in the Audit. Upon receiving a written notice of a Final Determination in respect of an Indemnifiable Loss Deduction, the Indemnitee shall redetermine the Tax Saving Amount attributable to the Indemnifiable Loss Deduction under Section 5.3 hereof, taking into account the Final Determination (the “Restated Tax Saving Amount”). If the Restated Tax Saving Amount is greater than the Tax Saving Amount, the Indemnitee shall promptly pay the Indemnifying Party an amount equal to the difference between such amounts. If the Restated Tax Saving Amount is less than the Tax Saving Amount, then the Indemnifying Party shall pay to the Indemnitee an amount equal to the difference between such amounts promptly after receipt of written notice setting forth the amount due and the computation thereof.

Section 5.5 No Indemnification for Tax Items. Nothing in this Agreement shall be construed as a guarantee of the existence or amount of any loss, credit, carryforward, basis or other Tax Item, whether past, present or future, of any Party.

Section 5.6 Double Recovery. Notwithstanding anything herein to the contrary, no Party shall be entitled to indemnification hereunder for any amount to the extent such Party has otherwise been reimbursed for such amount.

## ARTICLE VI

### PAYMENTS

Section 6.1 In General. In the event that one party (the “Owing Party”) is required to make a payment to another party (the “Owed Party”) pursuant to this Agreement, then such payments shall be made according to this Article VI. All payments shall be made to the Owed Party or to the appropriate Taxing Authority as specified by the Owed Party within the time prescribed for payment in this Agreement, or if no period is prescribed, within twenty (20) days after delivery of written notice of payment owing together with a computation of the amounts due.

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Section 6.2 Treatment of Payments. Unless otherwise required by any Final Determination, the Parties agree that any payments made by one Party to the other Party (other than payments of interest pursuant to Section 6.5 and payments of After Tax Amounts pursuant to Section 6.4) pursuant to this Agreement shall be treated for all Tax and financial accounting purposes as nontaxable payments (dividend distributions or capital contributions, as the case may be) made immediately prior to the Distribution and, accordingly not includible in the taxable income of the recipient.

Section 6.3 Prompt Performance. All actions required to be taken by any Party under this Agreement shall be performed within the time prescribed for performance in this Agreement, or if no period is prescribed, such actions shall be performed promptly.

Section 6.4 After Tax Amounts. If pursuant to a Final Determination it is determined that the receipt or accrual of any payment made under this Agreement (other than payments of interest pursuant to Section 6.5) is subject to any Tax, the Party making such payment shall be liable for (a) the After Tax Amount with respect to such payment and (b) interest at the rate described in Section 6.5 on the amount of such Tax from the date such Tax accrues through the date of payment of such After Tax Amount. A Party making a demand for a payment pursuant to this Agreement and for a payment of an After Tax Amount with respect to such payment shall separately specify and compute such After Tax Amount. However, a Party may choose not to specify an After Tax Amount in a demand for payment pursuant to this Agreement without thereby being deemed to have waived its right subsequently to demand an After Tax Amount with respect to such payment.

Section 6.5 Interest. Payments pursuant to this Agreement that are not made within the period prescribed in this Agreement (the “Payment Period”) shall bear interest for the period from and including the date immediately following the last date of the Payment Period through and

including the date of payment at a per annum rate equal to twelve percent (12%). Such interest shall be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of 365 days and the actual number of days for which due.

## ARTICLE VII

### TAX PROCEEDINGS

Section 7.1 Audits. The Party responsible for preparing and filing a Tax Return pursuant to Article II (the "Filing Party") shall have the right to control, contest, and represent the interests of itself and any of its Affiliates in any Audit relating to such Tax Return; provided, that if the other Party (the "Non-Filing Party") paid Taxes with respect to such Tax Return pursuant to Section 3.1 or Section 3.2, as applicable, the Non-Filing Party shall be entitled to participate in such Audit, at its own cost and expense and with counsel of its own choosing (such counsel to be reasonably acceptable to the Filing Party), and the Filing Party shall

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not resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Audit without the prior written consent of the Non-Filing Party (such consent not to be unreasonably withheld, delayed or conditioned) to the extent that the proposed resolution, settlement or agreement to any deficiency, claim or adjustment relates to Taxes paid by the Non-Filing Party pursuant to Section 3.1 or Section 3.2, as applicable. The Filing Party's rights shall extend to any matter pertaining to the management and control of an Audit, including execution of waivers, choice of forum, scheduling of conferences and the resolution or determination of any Tax Item; provided, that the Filing Party and the Non-Filing Party shall jointly determine any such matter in the case of any Audit relating to a Tax Return with respect to which the Non-Filing Party paid Taxes pursuant to Section 3.1 or Section 3.2, applicable. Each of the Filing Party and the Non-Filing Party shall bear its respective costs incurred in handling, settling, or contesting an Audit, and any costs incurred by both Parties shall be shared equally. The Filing Party shall advise the Non-Filing Party of all significant Tax issues subject to an Audit by any Taxing Authority, and shall keep the Non-Filing Party fully informed on a timely basis with respect to any proposed contest, compromise or settlement thereof.

Section 7.2 Notice. Within twenty (20) business days after a Party receives a written notice or other information from a Taxing Authority of the existence of a Tax issue that may give rise to an indemnification obligation under this Agreement, such Party shall notify the other Party of such issue, and thereafter shall promptly forward to the other Party copies of notices and material communications with any Taxing Authority relating to such issue. The failure of one Party to notify the other Party of any matter relating to a particular Tax for a Taxable Period or to take any action specified in this Agreement shall not relieve such other Party of any liability and/or obligation which it may have under this Agreement with respect to such Tax for such Taxable Period, except to the extent that such other Party's rights under this Agreement are materially prejudiced by such failure.

Section 7.3 Remedies. New A&B agrees that no claim against Holdings and no defense to New A&B's liabilities or obligations to Holdings under this Agreement shall arise from the resolution by Holdings of any deficiency, claim or adjustment relating to the redetermination of any Tax Item of Holdings or any Holdings Affiliate.

Section 7.4 Control of Distribution Tax Proceedings.

(a) Holdings shall have the right to control, contest, and represent the interests of itself and any Holdings Affiliate in any Audits relating to Distribution Taxes for which Holdings bears liability pursuant to Section 4.1(a), Section 4.1(c) or Section 4.1(e), and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Audit. Holdings' rights shall extend to any matter pertaining to the management and control of such Audit, including execution of waivers, choice of forum, scheduling of conferences and the resolution of any Tax Item. New A&B shall be entitled through counsel of its choosing and reasonably acceptable to Holdings to monitor the conduct or settlement of any such Audit by Holdings, and Holdings shall keep New A&B and such counsel fully informed on a timely basis with respect thereto. Holdings shall provide New A&B and such counsel with such information as either of them may reasonably request (which request may be general or specific), but all costs and expenses incurred in such monitoring shall be borne by New A&B.

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(b) New A&B shall have the right to control, contest, and represent the interests of itself and any New A&B Affiliate in any Audits relating to Distribution Taxes for which New A&B bears liability pursuant to Section 4.1(b), Section 4.1(c) or Section 4.1(e), and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Audit. New A&B's rights shall extend to any matter pertaining to the management and control of such Audit, including execution of waivers, choice of forum, scheduling of conferences and the resolution of any Tax Item. Holdings shall be entitled through counsel of its choosing and reasonably acceptable to New A&B to monitor the conduct or settlement of any such Audit by New A&B, and New A&B shall keep Holdings and such counsel fully informed on a timely basis with respect thereto. New A&B shall provide Holdings and such counsel with such information as either of them may reasonably request (which request may be general or specific), but all costs and expenses incurred in such monitoring shall be borne by Holdings.

(c) Holdings and New A&B shall jointly control and contest any Audits relating to Distribution Taxes for which they both bear liability pursuant to Section 4.1(d); provided, that either Party may assume sole control of any such Audit if such Party acknowledges in writing that it has sole liability for any Distribution Taxes that are reasonably expected to arise in such Audit.

## ARTICLE VIII

### MISCELLANEOUS PROVISIONS

Section 8.1 Effectiveness. This Agreement shall become effective on the Separation Date.

Section 8.2 Cooperation and Exchange of Information.



(a) Cooperation. Holdings and New A&B shall each cooperate fully (and each shall cause its respective Affiliates to cooperate fully) with all reasonable requests from another Party hereto, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of Tax Returns, claims for refund, and Audits concerning issues or other matters covered by this Agreement. Such cooperation shall include, without limitation:

(i) the retention until the expiration of the applicable statute of limitations, and the provision upon request, of Tax Returns, books, records (including information regarding earnings and profits and the ownership and Tax basis of property), documentation and other information relating to the Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings, closing agreements or other determinations by Taxing Authorities;

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(ii) the execution of any document that may be necessary or reasonably helpful in connection with any Tax Proceeding, or the filing of a Tax Return or refund claim by a member of the New A&B Tax Group or the Holdings Tax Group, including certification, to the best of a Party's knowledge, of the accuracy and completeness of the information it has supplied or any power of attorney required by the applicable Taxing Authority to be provided by one Party to another Party for the performance by such other Party of acts required or permitted under this Agreement; and

(iii) the use of the Party's reasonable best efforts to obtain any documentation that may be necessary or reasonably helpful in connection with any of the foregoing.

Each Party shall use reasonable best efforts to comply in connection with the foregoing matters within ten (10) business days or such shorter period as may be required by the applicable Taxing Authority or otherwise in connection with any Audit. Each Party shall make its employees and facilities available on a reasonable and mutually convenient basis in connection with the foregoing matters.

(b) Failure to Perform. If a Party materially fails to comply with any of its obligations set forth in Section 8.1(a) upon reasonable request and notice by the other Party, and such failure results in the imposition of additional Taxes, the non-performing Party shall be liable in full for such additional Taxes notwithstanding anything to the contrary in this Agreement.

Section 8.3 Dispute Resolution. Unless otherwise agreed by the Parties, any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity hereof ("Dispute") which arises between Holdings and New A&B shall be resolved pursuant to this Section 8.3. The Dispute shall first be negotiated between the appropriate senior executives of Holdings and New A&B who shall have the authority to resolve the matter. Such executives shall meet to attempt in good faith to negotiate a resolution of the Dispute prior to pursuing other available remedies, within ten (10) days of receipt by Holdings or New A&B, as applicable, of notice of a Dispute, which date of receipt shall be referred to herein as the "Dispute Resolution Commencement Date." If the senior executives are unable to resolve the Dispute within thirty (30) days from the Dispute Resolution Commencement Date, then Holdings and New A&B shall jointly retain a nationally recognized accounting firm reasonably acceptable to both Parties to resolve the Dispute. If Holdings and New A&B cannot mutually agree upon an accounting firm, then any Dispute which Holdings and New A&B cannot resolve within thirty (30) days from the Dispute Resolution Commencement Date shall be resolved by a nationally recognized accounting firm selected by Dispute Prevention & Resolution, Inc. ("DPR"); provided, that, unless the Parties otherwise agree, DPR shall not select any accounting firm that is then providing auditing or tax services to either of the Parties or their Subsidiaries. The accounting firm selected by DPR shall act as an arbitrator to resolve all points of disagreement, and its decision shall be final and binding upon all parties involved. Any such arbitration shall be conducted in Honolulu, Hawaii. Following the decision of such accounting firm, Holdings and New A&B shall each take or cause to be taken any action necessary to implement the decision of such accounting firm. Holdings and New A&B shall share equally the administrative costs of the arbitration and such accounting firm's fees, disbursements and expenses, and shall each bear their respective other costs and expenses related to the arbitration.

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Section 8.4 Notices. Notices, offers, requests or other communications required or permitted to be given by any Party pursuant to the terms of this Agreement shall be given in writing to Holdings or New A&B, as applicable, to the following addresses or facsimile numbers:

If to Holdings, at:

Matson, Inc.  
1411 Sand Island Parkway  
Honolulu, HI 96803  
Attention: Chief Legal Officer  
Fax: 808-842-6048

and

Matson, Inc.  
555 12<sup>th</sup> Street  
Oakland, CA 94607  
Attention: Chief Legal Officer  
Fax: 510-628-7331

with a copy to Holdings' tax department at the same address.

If to New A&B, at:

Alexander & Baldwin, Inc.  
822 Bishop Street

or to such other address or facsimile number as the party to whom notice is given may have previously furnished to the other in writing as provided herein. Any notice involving non-performance, termination, or renewal shall be sent by hand delivery, recognized overnight courier or, within the United States, may also be sent via certified mail, return receipt requested. All other notices may also be sent by facsimile, confirmed by first class mail. All notices shall be deemed to have been given when received, if hand-delivered; when receipt is confirmed, if transmitted by facsimile or similar electronic transmission method; one (1) business day after it is sent, if sent by recognized overnight courier; and three (3) days after it is postmarked, if mailed by first class mail or certified mail, return receipt requested, with postage prepaid.

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Section 8.5      Changes in Law.

(a) Any reference to a provision of the Code, Treasury Regulations, or a law of another jurisdiction shall include a reference to any applicable successor provision or law.

(b) If, due to any change in applicable law or regulations or their interpretation by any court of law or other governing body having jurisdiction subsequent to the date specified in the preamble to this Agreement, performance of any provision of this Agreement or any transaction contemplated hereby shall become impracticable or impossible, the Parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such provision.

Section 8.6      Confidentiality. Each of the Parties hereto shall hold and cause its directors, officers, employees, advisors and consultants to hold in strict confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, all information (other than any such information relating solely to the business or affairs of such party) concerning the other Party hereto furnished it by such other Party or its representatives pursuant to this Agreement (except to the extent that such information can be shown to have been (1) in the public domain through no fault of such Party or (2) later lawfully acquired from other sources not under a duty of confidentiality by the party to which it was furnished), and no Party shall release or disclose such information to any other Person, except its directors, officers, employees, auditors, attorneys, financial advisors, bankers or other consultants who shall be advised of and agree to be bound by the provisions of this Section 8.5. Each of the Parties hereto shall be deemed to have satisfied its obligation to hold confidential information concerning or supplied by the other Party if it exercises the same care as it takes to preserve confidentiality for its own similar information.

Section 8.7      Assignment. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives and successors, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement. This Agreement may be enforced separately by each member of the Holdings Tax Group and each member of the New A&B Tax Group. No Party may assign this Agreement or any rights or obligations hereunder, without the prior written consent of the other Party hereto, and any such assignment shall be void; provided, that Holdings or New A&B may assign this Agreement to a successor entity if such successor entity agrees in writing, reasonably satisfactory to Holdings or New A&B, as applicable, to be bound by the terms of this Agreement as if named as a "Party" hereto.

Section 8.8      Affiliates.

(a) Holdings shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any other Matson Group Member; provided, that if it is contemplated that a Matson Group Member may cease to be controlled, directly or indirectly, by Holdings as a result of a transfer of its stock

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or other ownership interests to a third party in exchange for consideration in an amount approximately equal to the fair market value of the stock or other ownership interests transferred and such consideration is not distributed outside of the Matson Group to the shareholders of Holdings, then Holdings shall request in writing no later than thirty (30) days prior to such cessation that New A&B execute a release of such Matson Group Member from its obligations under this Agreement effective as of such transfer, provided that Holdings shall succeed to the rights of such Matson Group Member under this Agreement and shall have confirmed in writing the obligations of Holdings and the remaining Matson Group Members with respect to their own obligations and the obligations of the departing Matson Group Member, and that such departing Matson Group Member shall have executed a release of any rights it may have against New A&B by reason of this Agreement.

(b) New A&B shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any other member of the New A&B Group; provided, that if it is contemplated that member of the New A&B Group may cease to be controlled, directly or indirectly, by New A&B as a result of a transfer of its stock or other ownership interests to a third party in exchange for consideration in an amount approximately equal to the fair market value of the stock or other ownership interests transferred and such consideration is not distributed outside of the New A&B Group to the shareholders of New A&B, then New A&B shall request in writing no later than thirty (30) days prior to such cessation that Holdings execute a release of such member of the New A&B Group from its obligations under this Agreement effective as of such transfer, provided that New A&B shall succeed to the rights of such member of the New A&B Group under this Agreement and shall have confirmed in writing the obligations of New A&B and the remaining members of the New A&B Group with respect to their own obligations and the obligations of the departing member of the New A&B Group, and that such departing member of the New A&B Group shall have executed a release of any rights it may have against Holdings by reason of this Agreement

Section 8.9      Authority. Each of the Parties hereto represents, on behalf of itself and its affiliates, to the other that (a) it has the corporate power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other action, (c) it has duly and validly executed and delivered this Agreement and (d) this Agreement is a legal,

valid and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

Section 8.10 Entire Agreement. This Agreement, the Separation Agreement, the other Ancillary Agreements and the Exhibits and Schedules attached hereto and thereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof.

Section 8.11 Governing Law and Jurisdiction. This Agreement shall be construed in accordance with, and all Disputes hereunder shall be governed by, the laws of the State of Hawaii, excluding its conflict of law rules.

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Section 8.12 Counterparts. This Agreement, including the Schedules and Exhibits hereto, and the other documents referred to herein, may be executed in counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

Section 8.13 Severability. If any term or other provision of this Agreement or the Schedules or Exhibits attached hereto is determined by a non-appealable decision by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.14 Parties in Interest. This Agreement, including the Schedules and Exhibits hereto, and the other documents referred to herein, shall be binding upon Holdings, the Holdings Affiliates, New A&B and the New A&B Affiliates, and shall inure solely to the benefit of the Indemnitees that are Matson Group Members and the Indemnitees that are New A&B Group Members and, in each case, their respective permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

Section 8.15 Failure or Indulgence Not Waiver. No failure or delay on the part of any Party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any failure to exercise, or any single or partial exercise, of any such right preclude other or further exercise thereof or of any other right.

Section 8.16 Setoff. All payments to be made by any Party under this Agreement may be netted against payments due to such Party under this Agreement, but otherwise shall be made without setoff, counterclaim or withholding, all of which are hereby expressly waived.

Section 8.17 Amendments. No change or amendment will be made to this Agreement except by an instrument in writing signed on behalf of each of the Parties to this Agreement.

Section 8.18 Interpretation. When a reference is made in this Agreement to an Article or a Section, or to an Exhibit or a Schedule, such reference shall be to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The headings contained in this Agreement, in any Exhibit or Schedule, and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any capitalized term used in any Schedule or Exhibit but not otherwise defined therein, shall have the meaning assigned to such term in this Agreement.

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Section 8.19 Coordination with Employee Matters Agreement. To the extent any covenants or agreements between the Parties with respect to employment Taxes are set forth in the Employee Matters Agreement, such matters shall be governed exclusively by the Employee Matters Agreement and not by this Agreement.

Section 8.20 Conflict or Inconsistency Between Agreements. Except as provided in Section 8.19, in the event of any conflict or inconsistency between any provision of this Agreement and any provision of either the Separation Agreement or any of the other Ancillary Agreements, the applicable provisions of this Agreement shall prevail.

[SIGNATURE PAGE FOLLOWS]

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WHEREFORE, the Parties have signed this Tax Sharing Agreement effective as of the date first set forth above.

ALEXANDER & BALDWIN HOLDINGS, INC.  
on behalf of itself and the Holdings Affiliates

/s/ Joel M. Wine

Name: Joel M. Wine

Title: Senior Vice President, Chief Financial Officer and Treasurer

A & B II, INC.  
on behalf of itself and the New A&B Affiliates

/s/ Stanley M. Kuriyama

Name: Stanley M. Kuriyama

Title: President and Chief Executive Officer

*[Signature Page to Tax Sharing Agreement]*

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ALEXANDER & BALDWIN HOLDINGS, INC.

For media inquiries:  
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**ALEXANDER & BALDWIN'S BOARD OF DIRECTORS APPROVES SEPARATION OF TRANSPORTATION AND LAND BUSINESSES**

*Separation and Share Distribution Expected on June 29, 2012*

*Company Names Post-Separation Directors*

HONOLULU — (June 8, 2012) — Alexander & Baldwin Holdings, Inc. (NYSE: ALEX) (the “Company”), successor by merger to Alexander & Baldwin, Inc., today announced that its board of directors has unanimously approved the separation of the Company’s transportation and land businesses into two publicly traded companies, subject to the satisfaction of certain customary conditions.

“With the major milestones relating to the completion of the separation now behind us, the board has unanimously approved the separation of Alexander & Baldwin’s transportation and land businesses,” said Walter A. Dods, Jr., chairman of Alexander & Baldwin Holdings, Inc. “The separation will enhance the creation of long-term shareholder value for each of these businesses by enabling both companies to focus on their respective strategies. The board’s actions reflect our confidence that this separation will create two strong, publicly traded companies for the State of Hawaii.”

Following the separation, the transportation business (ocean transportation and logistics) will be operated under the name “Matson, Inc.” (“Matson”), and will trade on the New York Stock Exchange under the ticker symbol “MATX.” The land business (real estate and agriculture) will be operated under the name “Alexander & Baldwin, Inc.” (“New A&B”), and will trade on the New York Stock Exchange under the ticker symbol “ALEX.”

The Company will complete the separation by distributing to all persons who are shareholders of record of the Company as of 5:00 p.m., Eastern Daylight Time, on June 18, 2012 (the “Record Date”), one share of New A&B common stock for every one share of Company stock owned as of the Record Date. The distribution will be effective at 4:00 p.m. Eastern Daylight Time, on June 29, 2012 (the “Distribution Date”). The first day of “regular way” trading of the stock of each separate company is expected to be Monday, July 2, 2012.

**Additional Details of the Separation**

- The Company will distribute to its shareholders all of the issued and outstanding shares of New A&B by means of a pro-rata share dividend. The distribution will not be taxable to U.S. shareholders for U.S. federal income tax purposes. The distribution of New A&B shares will be made in book-entry form and no action or payment by shareholders is required to receive New A&B shares. No physical share certificates of New A&B will be issued at the time of separation.
- Existing shares of Company stock will continue to trade “regular way” on the New York Stock Exchange under the symbol ALEX through the Distribution Date. However, beginning on or about June 14, 2012, and continuing through the Distribution Date, the public can also begin to trade in the stock of Matson (called “ex-distribution” trading). This stock will be traded under the ticker symbol “MATX WI.” Similarly, beginning on or about June 14, 2012, and continuing through the Distribution Date, the public can also begin to trade in the stock of New A&B (called “when-issued” trading). This stock will be traded under the ticker symbol “ALEX WI.”
- Any holders of Company stock who sell their shares “regular way” on or before the Distribution Date will also be selling their right to receive shares of New A&B stock in the separation. Any person who purchases Company stock in the “ex-distribution” market under the ticker symbol “MATX WI” on or before the Distribution Date will receive shares of Matson without the right to receive shares of New A&B stock in the separation. Any holders of Company stock who sell their Company shares “ex-distribution” on or before the Distribution Date will retain their right to receive shares of New A&B common stock in the separation.

- The separation remains conditioned on the Registration Statement on Form 10, initially filed by A & B II, Inc. on April 2, 2012, being declared effective by the U.S. Securities and Exchange Commission (“SEC”), which is expected to occur on or about June 11, 2012, as well as authorization by the New York Stock Exchange and other conditions described in the Form 10.
- Prior to the distribution, the Company will mail an information statement to all shareholders entitled to receive the distribution of shares of New A&B common stock. The information statement will describe New A&B and other details regarding the distribution.

**Shareholder Rights Plans**

The Company’s board has adopted a shareholder rights plan (“Plan”), which has a term of one year that is designed to deter opportunistic actions that could deprive the Company’s shareholders from realizing the full and fair value on their investment. The Plan is also designed to promote fair and equal treatment of the Company’s shareholders in connection with any initiative to acquire control of the Company. The Plan is not intended to prevent any offers

or transactions that the board deems to be in the best interest of the Company's shareholders. The Plan was adopted following evaluation and consultation with the Company's outside advisors and is similar to plans adopted by other publicly traded companies. The full text of the shareholder rights plan will be filed with the SEC.

A similar shareholder rights plan was adopted for New A&B. The full text of the New A&B Plan will be filed with the SEC.

## **Boards of Directors**

The Company also announced that it has named the members of the board of directors for Matson and New A&B, effective on June 26, 2012. The Company had previously announced that Walter A. Dods, Jr. would chair the Matson board of directors, and Stanley M. Kuriyama, currently the Company's president and chief executive officer, would chair the New A&B board of directors. Jeffrey N. Watanabe has been appointed the lead independent director for the New A&B board of directors.

"The two separate companies will each benefit from strong, experienced boards of directors with deep ties to the community," said Dods. "All of A&B's current directors will continue to serve on one or both of the boards, and they will be joined by new directors with additional qualifications and capabilities. Both boards are well-positioned to support the initiatives and business strategies of the two separate companies and are dedicated to increasing value for all shareholders."

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### **Matson's Board of Directors**

- Walter A. Dods, Jr., currently the Company's chairman of the board and retired chairman and chief executive officer of BancWest and First Hawaiian Bank
- W. Blake Baird, chairman of the board and chief executive officer of Terreno Realty Corporation (NYSE: TRNO)
- Michael J. Chun, president of Kamehameha Schools Kapalama Campus
- Matthew J. Cox, currently president of Matson Navigation Company, Inc.
- Admiral Thomas B. Fargo, U.S. Navy (retired), chairman of the board of Huntington Ingalls Industries (NYSE: HII)
- Constance H. Lau, president and chief executive officer of Hawaiian Electric Industries, Inc. (NYSE: HE)
- Jeffrey N. Watanabe, chairman of the board of Hawaiian Electric Industries, Inc. (NYSE: HE) and retired founder of Watanabe Ing LLP, a limited liability law partnership

Dods, Baird, Chun, Fargo, Lau and Watanabe currently serve on the Company's board; Cox is newly appointed.

### **New A&B Board of Directors**

- Stanley M. Kuriyama, currently the Company's president & chief executive officer
- W. Allen Doane, retired chairman of the board and chief executive officer of the Company
- Walter A. Dods, Jr., currently the Company's chairman of the board and retired chairman and chief executive officer of BancWest and First Hawaiian Bank
- Robert S. Harrison, president and chief executive officer of First Hawaiian Bank
- Charles G. King, president of King Auto Center
- Douglas M. Pasquale, director of Ventas, Inc. (NYSE: VTR) and retired chairman of the board and chief executive officer of National Health Properties, Inc. (NYSE: NHP)
- Michele K. Saito, president of Farmers Insurance Hawaii

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- Jeffrey N. Watanabe, chairman of the board of Hawaiian Electric Industries, Inc. (NYSE: HE) and retired founder of Watanabe Ing LLP, a limited liability law partnership
  - Eric K. Yeaman, president and chief executive officer of Hawaiian Telcom (NASDAQ: HCOM)

Kuriyama, Dods, Doane, King, Pasquale and Watanabe currently serve on the Company's board. Harrison, Saito and Yeaman are newly appointed to the New A&B board.

### **About the New Directors**

**Matthew J. Cox (51)** — Mr. Cox currently serves as president of Matson Navigation Company and upon separation will also become its chief executive officer. He joined Matson in June 2001 as senior vice president and chief financial officer, and was appointed president of Matson in October 2008. Prior to joining Matson, Cox worked in the transportation industry for 15 years, 12 of which were spent at American President Lines, Ltd. From 1999 to 2001, he held executive posts at Distribution Dynamics, Inc., and was the company's executive vice president and chief operating officer at the time he joined Matson.

Cox earned a bachelor of science degree in accounting and finance from the University of California, Berkeley and is a certified public accountant (not in public practice) and a graduate of the Harvard Business School - Advanced Management Program.

Cox serves on the board of The Standard Club, a mutual association of ship owners that insures ship owners, operators and charterers for their liabilities to third parties arising out of ship operations. He is also a director of Children's Hospital and Research Center Oakland and a former director of The Pacific Maritime Association.

**Robert S. Harrison** (51) — Mr. Harrison was appointed president and chief executive officer of First Hawaiian Bank, the state's largest bank, in December 2011, and has 23 years of experience in the banking industry. Prior to assuming his current role, Harrison worked in several branch and business banking positions at First Hawaiian Bank since 1996, most recently serving as its president and chief operating officer.

Harrison currently serves on the boards of Aloha Harvest, Blood Bank of Hawaii, Chaminade University, Hawaii Business Roundtable, Hawaii Community Foundation, Hawaii Medical Service Association, Japan America Society of Hawaii, Maryknoll School and Roman Catholic Diocese of Honolulu.

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Harrison has an MBA from Cornell University's Johnson Graduate School of Management, and graduated from the University of California, Los Angeles, with a bachelor of science in applied mathematics.

**Michele K. Saito** (52) — Ms. Saito currently serves as the president of Farmers Insurance Hawaii, overseeing 300 employees statewide. She is responsible for the day-to-day operations of the Farmers Insurance Hawaii Family of Companies, which includes Farmers Insurance Hawaii, Hawaii Insurance Consultants, American Pacific Insurance Company, Human Resources Solutions and 50th State Risk Management Services.

Ms. Saito also serves on the boards of Hawaii Pacific University, the University of Hawaii Alumni Association, Hawaii Medical Services Association, Child and Family Services, and numerous other community organizations.

Saito earned a bachelor of business administration in accounting from the University of Hawaii at Manoa, and is a certified public accountant (not in public practice) in the State of Hawaii.

**Eric K. Yeaman** (44) — Mr. Yeaman has served as the president and chief executive officer of Hawaiian Telcom, the state's leading communications provider, since June 2008. Prior to joining Hawaiian Telcom, Yeaman was the senior executive vice president and chief operating officer of Hawaiian Electric Company, Inc. (HECO), and financial vice president and chief financial officer of Hawaiian Electric Industries, HECO's parent company. From 2000 to 2003, he was the chief operating and financial officer for Kamehameha Schools.

Yeaman serves on the boards of Queen's Health Systems (currently chairman of the board), Bishop Museum, Hawaii Community Foundation, Hawaii Business Roundtable, The Nature Conservancy of Hawaii, Kamehameha Schools Audit Committee, Aloha Council Boy Scouts of America and the Harold K.L. Castle Foundation. He is also a director of the United States Telecom Association.

Mr. Yeaman earned his bachelor of business administration degree in accounting from the University of Hawaii at Manoa and is a certified public accountant (not in public practice) in the State of Hawaii.

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#### **About Alexander & Baldwin Holdings, Inc.**

Alexander & Baldwin Holdings, Inc., successor by merger to Alexander & Baldwin, Inc., is headquartered in Honolulu, Hawaii. A&B is engaged in ocean transportation and logistics services through its subsidiaries, Matson Navigation Company, Inc. and Matson Logistics, Inc.; in real estate through A&B Properties, Inc.; and in agribusiness through Hawaiian Commercial & Sugar Company. Additional information about A&B may be found at its web site: [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com).

#### **Forward-Looking Statements**

Statements in this press release that are not historical facts are "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements are not guarantees of future performance. This release should be read in conjunction with our Annual Report on Form 10-K and our other filings with the SEC through the date of this release, which identify important factors that could affect the forward-looking statements in this release. We do not undertake any obligation to update our forward-looking statements.

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