

Alexander & Baldwin, Inc.  
Form DEF 14A  
March 11, 2019

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.        )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Alexander & Baldwin, Inc.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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LETTER TO OUR SHAREHOLDERS

To the Shareholders of Alexander & Baldwin, Inc.:

You are invited to attend the 2019 Annual Meeting of Shareholders of Alexander & Baldwin, Inc., to be held in the Piilani Ballroom, Dole Cannery, 735 Iwilei Road, Honolulu, Hawaii, on Friday, April 26, 2019 at 8:00 a.m. HST. We look forward to the opportunity to meet with you.

**Whether or not you plan to attend the Annual Meeting, please vote as soon as possible.** You may vote via the Internet, by telephone or by requesting a paper proxy card to complete and return by mail. Specific instructions for shareholders are included in the enclosed proxy or on a Notice of Internet Availability of Proxy Materials being distributed to shareholders on or around March 11, 2019.

Your vote is important and your shares should be represented. Thank you for your continued support of A&B.

Sincerely,

CHRISTOPHER J. BENJAMIN  
President and Chief Executive Officer

March 11, 2019

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NOTICE OF ANNUAL MEETING

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date:	Meeting Agenda:
Friday, April 26, 2019	1. Elect ten directors to serve until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified;
Time:	2. Conduct an advisory vote on executive compensation;
8:00 a.m., HST	3. Conduct an advisory vote on the frequency of future advisory votes on executive compensation;
Place:	4. Ratify the appointment of the independent registered public accounting firm for the ensuing year; and
Piilani Ballroom, Dole Cannery	5. Transact such other business as properly may be brought before the meeting or any adjournment or postponement thereof.
735 Iwilei Road	
Honolulu, Hawaii	

The Board of Directors has set the close of business on February 15, 2019 as the record date for the meeting. Owners of Alexander & Baldwin, Inc. stock at the close of business on that date are entitled to receive notice of and to vote at the meeting. Shareholders will be asked at the meeting to present valid photo identification. Shareholders holding stock in brokerage accounts must present a copy of a brokerage statement reflecting stock ownership as of the record date.

By Order of the Board of Directors,

ALYSON J. NAKAMURA  
Vice President and Corporate Secretary

March 11, 2019

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. PLEASE PROMPTLY VOTE VIA THE INTERNET OR BY TELEPHONE, OR REQUEST A PAPER PROXY CARD TO COMPLETE AND RETURN BY MAIL.





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## SUMMARY INFORMATION

To assist you in reviewing this Proxy Statement, we would like to call your attention to key elements of this document. The following description is only a summary. For more information, please read the complete Proxy Statement.

## Annual Meeting of Shareholders

<b>Time and Date:</b>	Friday, April 26, 2019, 8:00 a.m. HST
<b>Place:</b>	Piilani Ballroom Dole Cannery 735 Iwilei Road Honolulu, Hawaii
<b>Record Date:</b>	February 15, 2019
<b>Voting:</b>	Shareholders as of the record date are entitled to vote.
<b>Admission:</b>	Shareholders will be asked to present valid photo identification. Shareholders holding stock in brokerage accounts must present a copy of a brokerage statement reflecting stock ownership as of the record date.

## Meeting Agenda

Election of ten directors	FOR each director nominee	3
Advisory vote on executive compensation	FOR	45
Advisory vote on frequency of future advisory votes on executive compensation	ANNUAL	46
Ratification of appointment of Deloitte & Touche LLP as our independent registered public accounting firm	FOR	48

## Board Nominees

The following table provides summary information about each director nominee. Each director nominee is elected until the next Annual Meeting of Shareholders.

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Christopher J. Benjamin	2016	President & Chief Executive Officer, Alexander & Baldwin, Inc.	
W. Allen Doane	2012	Retired Chairman of the Board and CEO of A&B Predecessor	
Robert S. Harrison	2012	Chairman and Chief Executive Officer, First Hawaiian, Inc.	Audit
David C. Hulihee	2013	Chairman of the Board and President, Royal Contracting Co., Ltd. Retired CEO of Grace Pacific LLC, a wholly-owned subsidiary of A&B	Nominating & Corporate Governance, Chair
Stanley M. Kuriyama	2012	Chairman of the Board of A&B Retired CEO of A&B	
Diana M. Laing	N/A	Interim Executive Vice President and Interim Chief Financial Officer of A&B	

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## SUMMARY INFORMATION

Thomas A. Lewis, Jr.	2017	Retired CEO, Realty Income Corporation	
Douglas M. Pasquale	2012	Founder & CEO of Capstone Enterprises Corporation	Compensation Audit, Chair
Michele K. Saito	2012	President, DTRIC Insurance Company	Nominating & Corporate Governance Compensation, Chair
Eric K. Yeaman	2012	President and Chief Operating Officer, First Hawaiian, Inc.	Nominating & Corporate Governance Audit

## Executive Compensation Linked to Performance

The Company firmly believes in pay for performance and aligning pay with shareholder interests and the Company's business objectives. Accordingly, the majority of executive compensation is tied to performance. In 2018, our Chief Executive Officer ("CEO"), Christopher Benjamin, received 79% of his target compensation in the form of performance-based pay, consisting of annual incentives (cash) and long-term incentives (equity), with the remaining 21% set as fixed pay. For our other Named Executive Officers, 65% of their target compensation was performance-based with the remaining 35% set as fixed pay\*. All elements of executive compensation are generally targeted at the 50<sup>th</sup> percentile of market pay data. In 2018, our executive compensation program received strong support from shareholders with approximately 97% of say on pay votes cast in approval of the program.

We encourage you to read our Compensation Discussion and Analysis ("CD&A"), which begins on page 20 and describes our pay for performance philosophy and each element of compensation. Our Board of Directors recommends approval, on an advisory basis, of the compensation of our Named Executive Officers, as further described in the CD&A and "Proposal No. 2: Advisory Vote on Executive Compensation" beginning on page 45.

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\*

James Mead resigned his position as Chief Financial Officer effective November 15, 2018. These percentages were calculated using Mr. Mead's annualized cash compensation and 2018 equity award. It does not include the compensation for Diana Laing, the Interim Executive Vice President and Interim Chief Financial Officer.

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## PROXY STATEMENT

### GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Why am I receiving these materials?

The Board of Directors of Alexander & Baldwin, Inc. ("A&B" or the "Company") is soliciting proxies for the Annual Meeting of Shareholders to be held on April 26, 2019 and at any adjournment or postponement of the meeting (the "Annual Meeting").

Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the full set of proxy materials?

On or around March 11, 2019, we mailed to our shareholders (other than to certain street name shareholders or those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials, which contains instructions for accessing and reviewing on the Internet all of our proxy materials, including this Proxy Statement and our 2018 Annual Report to Shareholders. In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission ("SEC"), instead of mailing a printed copy of our proxy materials to each shareholder of record, we are furnishing proxy materials on the Internet. This process is designed to expedite shareholders' receipt of proxy materials, lower the cost of the Annual Meeting and help conserve natural resources.

How can I request a paper copy of these materials?

You will not receive a printed copy of the proxy materials unless you request it. If you would prefer to receive printed proxy materials, please follow the instructions for requesting such materials contained in the Notice of Internet Availability of Proxy Materials. This process is designed to expedite shareholders' receipt of proxy materials, lower the cost of the Annual Meeting and help conserve natural resources.

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Can I vote using the Internet?

The Notice of Internet Availability of Proxy Materials also provides instructions for voting your shares using the Internet.

Who is entitled to vote at the Annual Meeting?

Shareholders of record at the close of business on February 15, 2019 are entitled to notice of and to vote at the Annual Meeting. On that date, there were 72,092,013 shares of common stock outstanding, each of which is entitled to one vote.

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING

What is the voting requirement to approve each of the proposals?

Provided a quorum is present, a majority of the votes cast will be necessary for the election of directors, the ratification of the appointment of the independent registered public accounting firm, and the approval, on an advisory basis, of our executive compensation. Shareholders are being asked to express a preference on the frequency of future advisory votes on executive compensation, and the frequency receiving a plurality of votes cast will be considered the preference of shareholders.

What effect do abstentions and broker non-votes have on the proposals?

Abstentions and broker non-votes will be included for purposes of establishing a quorum at the Annual Meeting. However, abstentions and broker non-votes will have no effect on the voting results for any matter, as they are not considered to be votes cast.

Who will bear the cost of soliciting votes for the Annual Meeting?

Officers, employees and directors of A&B and its subsidiaries may, without additional compensation, solicit proxies by telephone or by other appropriate means. Arrangements also will be made with brokerage firms and other persons that are record holders of A&B's common stock to forward proxy soliciting material to the beneficial owners of the stock, and A&B will reimburse those record holders for their reasonable expenses. A&B has retained the firm of D.F. King & Co., Inc. to assist in the solicitation of proxies at a cost of \$10,000 plus reasonable out-of-pocket expenses.

May I change my vote or revoke my proxy?

You may revoke your proxy or change your vote any time before it is voted at the Annual Meeting by:

Filing a written revocation with the Corporate Secretary;

Submitting a later-dated proxy or a later-dated vote by Internet or telephone; or

Voting in person at the Annual Meeting.

When were the Proxy Statement materials made publicly available?

This Proxy Statement and the enclosed proxy are being mailed to shareholders and are being made available on the Internet at [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com) on or about March 11, 2019.

Who can I contact to obtain directions to the Annual Meeting site?

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You may contact Dawn Furutani at (808) 525-6634 to obtain directions to the site of the Annual Meeting, the Piilani Ballroom at Dole Cannery, 735 Iwilei Road, Honolulu, Hawaii.

What do the references to the term "A&B Predecessor" mean in this document?

References in this Proxy Statement to "A&B Predecessor" mean Alexander & Baldwin, Inc. prior to its separation from Matson, Inc. on June 29, 2012.

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## PROPOSAL NO. 1: ELECTION OF DIRECTORS

As part of adopting new corporate documents in connection with our conversion to a real estate investment trust ("REIT"), A&B took the opportunity to enhance its governance practices by declassifying its board, adopting a majority voting standard in uncontested elections and eliminating the supermajority voting requirement to amend its articles of incorporation. These actions are in response to investor feedback we received during our ongoing shareholder engagement initiatives and are in line with best practices. Ten directors will be elected at the Annual Meeting to serve until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified.

*Director Nominees and Qualification of Directors.* The nominees of the Board of Directors are the ten persons named below. All nominees except for Diana M. Laing are current members of the Board of Directors. The Board of Directors believes that all nominees will be able to serve. However, if any nominee should decline or become unable to serve for any reason, shares represented by the accompanying proxy will be voted for the replacement person nominated by the Board of Directors, or the Board may choose to reduce the number of directors serving on the Board. Each director nominee identified below was unanimously nominated by the Board at the recommendation of the Nominating and Corporate Governance Committee.

Jenai S. Wall, who has served as a director of A&B since 2015, is not standing for re-election. The Board and management thank Ms. Wall for her service and valued advice.

Below are the names, ages (as of March 31, 2019), and principal occupations of each person nominated by the A&B Board, their business experience during at least the last five years, the year each first was elected or appointed a director and qualifications of each director.

Our Nominating Committee is focused on creating a Board that consists of members that have a diversity of professional experience and a combined skill set to help oversee our business effectively. The Board weighs the alignment of Board capabilities with the needs of A&B as part of the Board's self-assessment process. The Nominating Committee's processes for selecting director nominees are described in greater detail in "Certain Information Concerning the Board of Directors' Nominating Committee Processes" below.

Our Board members have a diverse range of perspectives and are knowledgeable about our businesses. Each director contributes in establishing a board climate of trust and respect, where deliberations are open and constructive. A&B's business strategy is Hawaii-focused and, accordingly, the Board believes it is valuable to shareholders that a significant majority of our directors be Hawaii-based executives who can provide extensive local knowledge and insight.

### Skills Aligned with Board Needs

Strong combined skillset\* and local Hawaii expertise effectively position the Board to navigate Hawaii's unique business environment:

\*

This skills matrix represents the diverse skillsets of our ten directors being proposed for election or re-election. All directors are included in multiple categories.

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PROPOSAL NO. 1

In selecting nominees, the Board has considered the factors noted above; the current mix of skills and experience represented by our directors; and the qualifications of each nominated director, which includes the factors reflected as follows.

Christopher J. Benjamin

Age: 55

Director Since: 2016

Chief Executive Officer and Director of A&B since January 2016

President of A&B since June 2012

Chief Operating Officer of A&B from June 2012 through December 2015

President of A&B Land Group from September 2011 through June 2012

President of A & B Properties, Inc. from September 2011 through August 2015

Senior Vice President of A&B Predecessor from July 2005 through August 2011

Chief Financial Officer of A&B Predecessor from February 2004 through August 2011

Treasurer of A&B Predecessor from May 2006 through August 2011

Plantation General Manager of Hawaiian Commercial & Sugar Company from March 2009 through March 2011

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*Director Qualifications:* As a member of A&B's and A&B Predecessor's senior management team for over a decade, Mr. Benjamin, who is President and Chief Executive Officer of A&B, brings to the Board an in-depth knowledge of all aspects of the Company's real estate operations, including commercial real estate and real estate development. Having served for more than seven years as Chief Financial Officer, he has thorough knowledge of the financial management of the Company, including accounting, treasury and investor relations activities. He is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

W. Allen Doane

Age: 71

Director Since: 2012

Director of A&B Predecessor from October 1998 through June 2012

Chairman of the Board of A&B Predecessor from April 2006 through December 2009

Chief Executive Officer of A&B Predecessor from October 1998 through December 2009

President of A&B Predecessor from October 1998 through September 2008

Director of A&B Predecessor's subsidiary, Matson Navigation Company, Inc. ("MNC") from October 1998 through June 2012, Chairman of the Board of MNC from April 2006 through September 2008 and from July 2002 to January 2004

Director, First Hawaiian, Inc. ("FHI") (NASDAQ:FHB) since August 2016

*Director Qualifications:* As a member of A&B Predecessor's senior management team for almost two decades, Mr. Doane, who was Chief Executive Officer and Chairman of the Board of A&B Predecessor until his retirement from those positions in 2009, brings to the Board an in-depth knowledge of all aspects of the Company's real estate operations, including commercial real estate and real estate development. Mr. Doane's experience managing a complex business organization has provided him with financial expertise and he has been designated by the Board of Directors as an Audit Committee Financial Expert. He also has board experience, including his service on various corporate and non-profit boards, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

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PROPOSAL NO. 1

Robert S. Harrison

Age: 58

Director Since: 2012

Chairman of the Board and Chief Executive Officer of FHI since August 2016

Chairman of the Board of First Hawaiian Bank ("FHB") since May 2014

Chief Executive Officer and Director of FHB since January 2012

President of FHB from December 2009 to June 2015

Chief Operating Officer of FHB from December 2009 through December 2011

Vice Chairman of FHB from December 2007 to December 2009

Chief Risk Officer of FHB from January 2006 to December 2009

*Director Qualifications:* As Chairman and Chief Executive Officer of FHB, Hawaii's largest financial institution, Mr. Harrison brings to the Board experience in managing complex business organizations. He also has banking and financial expertise. Mr. Harrison has board experience through his service on various corporate and non-profit boards and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

David C. Hulihee

Age: 70

Director Since: 2013

Chairman of the Board and President of Royal Contracting Co., Ltd. since December 1971

Chief Executive Officer of Grace Pacific LLC, formerly Grace Pacific Corporation ("Grace Pacific") from August 2008 through December 2015; consultant to Grace Pacific from January 2016 through December 2016

President of Grace Pacific from August 2008 through August 2015

Chairman of the Board of Grace Pacific from August 2008 through September 2013

*Director Qualifications:* As former President and Chief Executive Officer of Grace Pacific and Chairman of the Board and President of Royal Contracting Co., Ltd., both major Hawaii infrastructure and construction companies, Mr. Hulihee brings to the Board construction and development expertise and experience in managing complex business organizations. Mr. Hulihee has board experience, including his service on various corporate and non-profit boards, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations. Mr. Hulihee also is A&B's largest individual shareholder, owning or controlling approximately 3,200,000 (4.4%) of our outstanding shares, and as such his interests are well-aligned with those of shareholders.



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PROPOSAL NO. 1

Stanley M. Kuriyama

Age: 65

Director Since: 2012

Chairman of the Board since June 2012

Chief Executive Officer of A&B from June 2012 through December 2015

Director and Chief Executive Officer of A&B Predecessor from January 2010 through June 2012

President of A&B Predecessor from October 2008 through June 2012

President and Chief Executive Officer, A&B Land Group from July 2005 through September 2008

Chief Executive Officer and Vice Chairman of A&B Predecessor's subsidiary, A&B Properties, Inc., from December 1999 through September 2008

Director and Chairman of the Board of MNC from September 2009 through June 2012

Director, Matson Inc. (NYSE:MATX) (ocean transportation) since June 2016

*Director Qualifications:* As a member of A&B's and A&B Predecessor's senior management team for two decades, Mr. Kuriyama, who is Chairman of the Board and former Chief Executive Officer of A&B, brings to the Board an in-depth knowledge of all aspects of the Company's real estate operations, including commercial real estate and real estate development. He is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Diana M. Laing  
Age: 64  
Director Nominee

Interim Chief Financial Officer of A&B since November 2018 and Interim Executive Vice President of A&B since October 2018. Under the terms of her letter agreement (described on page 29), Ms. Laing's service will not extend beyond April 10, 2019, with a one-time possible extension of no more than 90 days.

Chief Financial Officer of American Homes 4 Rent (NYSE:AMH) from May 2014 through June 2018

Chief Financial Officer of Thomas Properties Group, Inc. from May 2004 through December 2013

Director of The Macerich Company (NYSE:MAC) since October 2003

Director of Spirit Realty Capital, Inc. (NYSE:SRC) since August 2018

Director of CareTrust REIT, Inc. (NASDAQ:CTRE) since January 2019

*Director Qualifications:* As former Chief Financial Officer of American Homes 4 Rent, a REIT focused on the acquisition, renovation, leasing and operation of single-family homes as rental properties, Ms. Laing contributes in-depth REIT experience, as well as experience in finance, accounting and managing a complex business organization. She also has board experience, including her service on the boards of other publicly traded companies.

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PROPOSAL NO. 1

Thomas A. Lewis, Jr.

Age: 66

Director Since: 2017

Vice Chairman of the Board of Realty Income Corporation (NYSE:O) ("Realty Income") from September 1993 to May 2014; Chief Executive Officer of Realty Income from 1997 through September 2013

Director of Realty Income from September 1993 through May 2014

Director of Sunstone Hotel Investors, Inc. (NYSE:SHO) since May 2006

*Director Qualifications:* As former Chief Executive Officer and Vice Chairman of Realty Income, one of the nation's largest and most successful REITs, Mr. Lewis contributes in-depth REIT experience, as well as experience in finance, accounting and managing a complex business organization. He also has board experience, including his service on the boards of other publicly traded companies. He is knowledgeable about Hawaii, having spent his teen and collegiate years on Oahu, and is a part-time resident.

Douglas M. Pasquale

Age: 64

Director Since: 2012

Founder and Chief Executive Officer of Capstone Enterprises Corporation (investment and consulting firm) since January 2012

Senior Advisor to HCP, Inc. (healthcare REIT) since June 2017

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Director of Ventas, Inc. (NYSE:VTR) ("Ventas") (healthcare REIT) from July 2011 through April 2017

Senior Advisor to the Chief Executive Officer of Ventas from July 2011 through December 2011, upon Ventas's acquisition of Nationwide Health Properties, Inc. (formerly NYSE:NHP) ("NHP") in July 2011

Chairman of the Board, President and Chief Executive Officer of NHP (healthcare REIT) from May 2009 to July 2011; President and Chief Executive Officer of NHP from April 2004 to July 2011; Executive Vice President and Chief Operating Officer of NHP from November 2003 to April 2004

Director of NHP from November 2003 through July 2011

Chairman of the Board and Chief Executive Officer of ARV Assisted Living, Inc. from December 1999 to September 2003 and, concurrently, President and Chief Executive Officer of Atria Senior Living Group from April 2003 to September 2003

Director of Terreno Realty Corporation (NYSE:TRNO) since February 2010

Director of Sunstone Hotel Investors, Inc. (NYSE:SHO) since November 2011

Director of DineEquity, Inc. (NYSE:DIN) since March 2013

Director of A&B Predecessor from April 2005 through June 2012

*Director Qualifications:* As Chief Executive Officer of Capstone Enterprises and as former President, Chief Executive Officer and Chairman of the Board of Nationwide Health Properties, Inc. prior to its merger in July 2011 with Ventas, Mr. Pasquale contributes in-depth REIT experience, as well as experience in finance, accounting and managing a complex business organization. This experience has provided Mr. Pasquale with financial expertise, and he has been designated by the Board of Directors as an Audit Committee Financial Expert. He also has board experience, including his service on the boards of other publicly traded companies.

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PROPOSAL NO. 1

Michele K. Saito

Age: 59

Director Since: 2012

President and Director of DTRIC Insurance Company (insurance) since March 2014

Chief Operating Officer of Healthways Hawaii (healthcare) from March 2013 through July 2013

President and Director of Farmers Insurance Hawaii ("Farmers") from January 2010 through August 2012

Executive Vice President and Chief Operating Officer of AIG Hawaii/Farmers from April 2009 through December 2009

Senior Vice President, Secretary and Treasurer of AIG Hawaii from 2001 through March 2009

Vice President of Finance and Operations of AIG Hawaii from 1995 through 2000

*Director Qualifications:* As President of DTRIC Insurance Company and former President of Farmers, two of Hawaii's largest insurance companies, Ms. Saito brings to the Board experience in managing a complex business organization and financial and accounting expertise. Ms. Saito also has board experience, including her service on various corporate and non-profit boards, and is knowledgeable about Hawaii and A&B's operating markets through her involvement in the Hawaii business community and local community organizations.

Eric K. Yeaman

Age: 51

Director Since: 2012

President and Chief Operating Officer of FHI since August 2016

President, Chief Operating Officer and Director of FHB since June 2015

President and Chief Executive Officer of Hawaiian Telcom Holdco, Inc. (NASDAQ:HCOM) ("Hawaiian Telcom") (telecommunications) from June 2008 to June 2015

Director of Hawaiian Telcom from June 2008 to July 2018

Chief Operating Officer of Hawaiian Electric Company, Inc. from January 2008 through June 2008

Financial Vice President, Treasurer and Chief Financial Officer of Hawaiian Electric Industries, Inc. (NYSE:HE) ("HEI") from January 2003 through January 2008

Chief Operating Officer and Chief Financial Officer of The Kamehameha Schools from 2000 to January 2003

Director of Alaska Air Group, Inc., (NYSE:ALK) since November 2012

*Director Qualifications:* As President and Chief Operating Officer of FHB and former Chief Executive Officer of Hawaiian Telecom, the state's leading integrated communications company, Mr. Yeaman brings to the Board experience in managing complex business organizations. He also has financial and accounting expertise and has been designated by the Board of Directors as an Audit Committee Financial Expert. Mr. Yeaman has board experience, including his service on the boards of other publicly traded companies. He is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

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## CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

*Corporate Governance Profile.* Sound principles of corporate governance are a priority for A&B's Board of Directors. Governance highlights include:

A diverse, independent board: 20% women; 40% ethnically diverse; majority independent

Independent leadership, consisting of a separate chair and chief executive officer, combined with a lead independent director

Multiple skill sets represented on the board, as reflected in the skills matrix on page 3

Annual election of directors

A majority voting standard in uncontested director elections

Shareholders can amend the bylaws with a majority vote; can call special meetings with a 10% vote

No poison pill

Meaningful director share ownership guidelines

Annual board evaluations

An Audit Committee composed entirely of Audit Committee Financial Experts

Mandatory retirement age of 72

Robust shareholder engagement program

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**Shareholder Engagement.** A&B values the views of its shareholders. During 2018, members of our management team met or offered to meet with shareholders who cumulatively owned approximately 73 percent of our stock to discuss our operations, corporate governance, environmental and social initiatives, and executive compensation, and to solicit feedback on these and a variety of other topics. Shareholder perspectives are shared with the Board.

**Director Independence.** The Board has reviewed each of its current directors and nominees and has determined that Messrs. Doane, Harrison, Lewis, Pasquale and Yeaman and Ms. Saito and Ms. Wall are independent under New York Stock Exchange ("NYSE") rules. In making its independence determinations, the Board considered the transactions, relationships or arrangements in "Certain Information Regarding Directors and Executive Officers – Certain Relationships and Transactions" below, as well as the following: Mr. Doane – his status as a former executive officer of A&B Predecessor and banking relationships with FHB, an entity of which Mr. Doane is a director; Mr. Harrison – A&B's banking relationships with FHB, an entity of which Mr. Harrison is Chairman of the Board and Chief Executive Officer; Mr. Yeaman – A&B's banking relationships with FHB, an entity of which Mr. Yeaman is President and Chief Operating Officer; and Ms. Wall – A&B's banking relationships with FHB, an entity of which Ms. Wall is a director.

In light of Ms. Laing's current service as Interim Executive Vice President and Interim Chief Financial Officer, the Board does not view Ms. Laing as independent at this time. Due to the interim nature of her role (which will not last beyond April 10, 2019, with a one-time possible extension of no more than 90 days), it is expected that the Board will determine that Ms. Laing is independent under NYSE rules once her interim service as an A&B officer ceases. It is anticipated that Ms. Laing's interim service will be concluded prior to the Annual Meeting.

**Board Leadership Structure.** The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. It understands that there is no single approach to providing Board leadership and that the right Board leadership structure may vary as circumstances warrant.

The Board currently has a separate non-executive Chairman, a CEO and a Lead Independent Director (Douglas M. Pasquale). At this time, the Board believes that a separate Chairman is beneficial in providing oversight and leadership in handling board responsibilities. This also allows our CEO to focus on Company strategy and business operations. A Lead Independent Director allows the Board to function independently from management and provide objective judgment regarding management's performance. The Board has determined that its leadership structure is appropriate for A&B at this time.



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CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

Lead Independent Director Duties Include

Consulting with the Chairman of the Board on agendas and meeting schedules

Facilitating the process for the Board's self-evaluation

Presiding at Board meetings in the absence of the Chairman

Presiding at executive sessions of independent Directors

Facilitating communication between the Independent Directors and the Chairman and Chief Executive Officer

*The Board's Role in Strategy and Risk Oversight.* The Board oversees the strategic direction of the Company. It has provided leadership on critical strategic issues, including the migration of the commercial real estate portfolio to Hawaii and the simplification of the Company's business model with the bulk sale of Maui agricultural lands. It receives regular strategic presentations from management and reviews and evaluates the Company's strategic and operating plans, as appropriate.

The Board also has oversight of the risk management process, which it administers in part through the Audit Committee. One of the Audit Committee's responsibilities involves discussing policies regarding risk assessment and risk management. Risk oversight plays a role in all major Board decisions and the evaluation of risk is a key part of the decision-making process. For example, the identification of risks and the development of sensitivity analyses are key requirements for capital requests that are presented to, and evaluated by, the Board.

This risk management process occurs throughout all levels of the organization but is also facilitated through a formal process in which the Company identifies significant risks through regular discussions with all levels of management. Risk management is reflected in the Company's compliance, auditing and risk management functions, and its risk based approach to strategic and operating decision-making. Management reviews its risk management activities with the Audit Committee and the full Board of Directors on a regular basis. In addition, risk management perspectives from each of A&B's business segments are included in the Company's operating and strategic plans. Cybersecurity and information security risks are among the risks discussed with the Audit Committee and reported to the full Board. The Board believes that its current leadership structure is conducive to the risk oversight process.

*Pay Risk Assessment.* The Compensation Committee has a formal review process to consider and discuss the compensation policies, plans and structure for all of the Company's employees, including the Company's executive group, to ascertain whether any of the compensation programs and practices create excessive risks or motivate risky behaviors that are reasonably likely to have a material adverse effect on the Company. Management has worked with the Compensation Committee to review all Company incentive plans and related policies and practices, and the overall structure and positioning of total pay, pay mix, the risk management process and related internal controls.

Based on its formal review process, the Compensation Committee concluded that there continues to be no material adverse effects due to pay risk. Management and the Compensation Committee concluded that A&B's employee compensation programs represent an appropriate balance of fixed and variable pay, cash and equity, short-term and long-term compensation, financial and non-financial performance, and an appropriate

level of enterprise-wide risk oversight.

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CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

Strong Compensation Risk Management

Robust stock ownership guidelines

Multi-year vesting periods of equity awards

Capped incentive payments

Use of multiple performance metrics

Pay philosophy for all elements of pay targeted at the 50<sup>th</sup> percentile

Reasonable payout tied to performance (e.g., incentive pool funding of 50% at threshold, 100% at target, 200% at maximum, with linear interpolation between each goal); individual awards can be further modified, ranging from 0% (no award) to 150%, so long as the aggregate incentive pool is not exceeded (i.e., zero sum)

50% of NEOs' equity awards granted are performance-based, using relative total shareholder return over three years as a performance metric

Review of goal-setting by the Compensation Committee to ensure that goals are appropriate

Mix of pay that is consistent with competitive practices for organizations similar in size and complexity

Insider trading and hedging prohibitions

A compensation clawback policy

Oversight by a Compensation Committee composed of independent directors

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*Board of Directors and Committees of the Board.* The Board of Directors held nine meetings during 2018. At all regularly scheduled meetings, the non-management directors of A&B met in executive sessions. The independent directors of A&B also met in executive session in 2018, led by the Lead Independent Director (Douglas M. Pasquale). In 2018, all directors were present at 75% or greater of the meetings of the A&B Board of Directors and Committees of the Board on which they serve. The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, each of which is governed by a charter, which is available on the corporate governance page of A&B's website, [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com).

Christopher J. Benjamin			
W. Allen Doane	member		
Robert S. Harrison			chair
David C. Hulihee			
Stanley M. Kuriyama			
Thomas A. Lewis, Jr.		member	
Douglas M. Pasquale	chair		member
Michele K. Saito		chair	member
Jenai S. Wall		member	
Eric K. Yeaman	member		

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CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

**Audit Committee:** The current members of the Audit Committee are:

Mr. Pasquale, Chairman

Mr. Doane

Mr. Yeaman

The Board has determined that each member is independent under the applicable NYSE listing standards and SEC rules. In addition, the Board has determined that Messrs. Pasquale, Doane and Yeaman are "audit committee financial experts" under SEC rules. The duties and responsibilities of the Audit Committee are set forth in a written charter adopted by the Board of Directors and are summarized in the Audit Committee Report, which appears in this Proxy Statement. The Audit Committee met seven times during 2018.

**Compensation Committee:** The current members of the Compensation Committee are:

Ms. Saito, Chairman

Mr. Lewis

Ms. Wall

The Board has determined that each member is independent under the applicable NYSE listing standards. The Compensation Committee has general responsibility for management and other salaried employee compensation and benefits, including incentive compensation and stock incentive plans, and for making recommendations to the Board on director compensation. The Compensation Committee may form subcommittees and delegate such authority as the Committee deems appropriate, subject to any restrictions by law or listing standard. For further information on the processes and procedures for consideration of executive compensation, see the "Compensation Discussion and Analysis" section below. The Compensation Committee met five times during 2018.

**Nominating and Corporate Governance Committee:** The current members of the Nominating and Corporate Governance Committee (the "Nominating Committee") are:

Mr. Harrison, Chairman

Ms. Saito

Mr. Pasquale

The Board has determined that each member is independent under the applicable NYSE listing standards. The functions of the Nominating Committee include recommending to the Board individuals qualified to serve as directors; recommending to the Board the size and composition of committees of the Board and monitoring the functioning of the committees; advising on Board composition and procedures; reviewing corporate governance issues; overseeing the annual evaluation of the Board; and ensuring that an evaluation of management is occurring. The Nominating Committee met twice during 2018.

*Nominating Committee Processes.* The Nominating Committee is responsible for recommending to the Board individuals qualified to serve as directors of the Company. The Nominating Committee believes that the minimum qualifications for serving as a director are high ethical standards, a commitment to shareholders, a genuine interest in A&B and a willingness and ability to devote adequate time to a director's duties. The Nominating Committee also may consider other factors it deems to be in the best interests of A&B and its shareholders, such as business experience, financial expertise and knowledge and involvement in Hawaii communities and businesses. While the Nominating Committee does not have a written diversity policy, it considers diversity with respect to gender, ethnicity, knowledge, skills, professional experience, education and expertise, and representation in industries and geographies relevant to the Company as important factors in its evaluation of candidates.

The Nominating Committee identifies potential nominees through various methods, including engaging, when appropriate, firms that specialize in identifying director candidates and by asking current directors to notify the Nominating Committee of qualified persons who might be available to serve on the Board.

The Nominating Committee will consider director candidates recommended by shareholders. In considering such candidates, the Nominating Committee will take into consideration the needs of the Board and the qualifications of the candidate. To have a candidate considered by the Nominating Committee, a shareholder must submit a written recommendation that includes the name of the shareholder, evidence of the shareholder's ownership of A&B stock (including the number of shares owned and the

CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

length of time of ownership), the name of the candidate, the candidate's qualifications to be a director and the candidate's consent for such consideration.

The shareholder recommendation and information described above must be sent to the Corporate Secretary at 822 Bishop Street, Honolulu, Hawaii, 96813 and must be received not less than 120 days before the anniversary of the date on which A&B's Proxy Statement was released to shareholders in connection with the previous year's annual meeting.

Once a potential candidate has been identified by the Nominating Committee, the Nominating Committee reviews information regarding the person to determine whether the person should be considered further. If appropriate, the Nominating Committee may request information from the candidate, review the person's accomplishments, qualifications and references, and conduct interviews with the candidate. The Nominating Committee's evaluation process does not vary based on whether or not a candidate is recommended by a shareholder.

Ms. Laing was recommended as a director candidate to the Nominating Committee by a third party search firm.

*Board and Committee Self-Evaluation Process.* The Board of Directors conducts annual board and committee evaluations to assess its performance and effectiveness. As part of this process, each board member responds to a questionnaire that includes areas for comments. A separate Board meeting is held for the purpose of discussing the responses and evaluating both board and committee performance.

*Corporate Governance Guidelines.* The Board of Directors has adopted Corporate Governance Guidelines to assist the Board in the exercise of its responsibilities and to promote the more effective functioning of the Board and its committees. The guidelines provide details on matters such as:

Select Corporate Governance Guideline Topics

Goals and responsibilities of the Board

Selection of directors, including the Chairman of the Board

Board membership criteria and director retirement age

Stock ownership guidelines

Director independence, and executive sessions of non-management directors

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Board self-evaluation

Board compensation

Board access to management and outside advisors

Board orientation and continuing education

Leadership development, including annual evaluations of the CEO and management succession plans

The full text of the A&B Corporate Governance Guidelines is available on the corporate governance page of A&B's corporate website, [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com).

*Code of Ethics.* A&B has adopted a Code of Ethics (the "Code") that applies to the CEO, Chief Financial Officer and Controller. A copy of the Code is posted on the corporate governance page of A&B's corporate website, [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com). A&B intends to disclose any changes in or waivers from its Code by posting such information on its website.

*Code of Conduct.* A&B has adopted a Code of Conduct, which is applicable to all directors, officers and employees, and is posted on the corporate governance page of A&B's corporate website, [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com).

*Compensation of Directors.* The Compensation Committee periodically reviews the compensation of A&B's non-employee Directors with the assistance of its executive compensation consultant, Willis Towers Watson ("WTW"). The compensation levels and components were last reviewed in October 2018 and the share-ownership guidelines are reviewed annually and, in each case, were deemed to be well aligned with market competitive practices. The following table summarizes the compensation earned by or paid to our directors (other than Mr. Benjamin, A&B CEO, whose compensation is included in the Summary



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## CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

Compensation Table and receives no compensation for serving on the Board) for services as a member of our Board of Directors for the period from January 1, 2018 through December 31, 2018.

## 2018 DIRECTOR COMPENSATION

W. Allen Doane	67,250	90,000	0	0	N/A	0	157,250
Robert S. Harrison	70,250	90,000	0	0	N/A	0	160,250
David C. Hulihee	56,000	90,000	0	0	N/A	0	146,000
Charles G. King(4)	33,015		0	0	N/A	0	33,015
Stanley M. Kuriyama	86,500(5)	135,000(5)	0	0	N/A	0	221,500
Thomas A. Lewis, Jr.	64,250(6)	90,000	0	0	N/A	0	154,250
Douglas M. Pasquale	103,601	90,000	0	0	N/A	0	193,601
Michele K. Saito	75,945	90,000	0	0	N/A	0	165,945
Jenai S. Wall	65,000	90,000	0	0	N/A	0	155,000
Eric K. Yeaman	67,250	90,000	0	0	N/A	0	157,250

(1)

Represents the aggregate grant-date fair value of the annual automatic grant of restricted stock unit awards made in 2018. See discussion of the assumptions underlying the valuation of equity awards included in

Note 13 of the Company's consolidated financial statements, included in the Company's 2018 Annual Report on Form 10-K. At the end of 2018, Mr. King held no restricted stock units, Messrs. Doane, Harrison, Hulihee, Pasquale and Yeaman and Messes. Saito and Wall each held 7,264 restricted stock units, Mr. Lewis held 5,937 restricted stock units and Mr. Kuriyama held 12,960 restricted stock units.

- (2) At the end of 2018, Mr. Kuriyama had 218,810 stock option awards outstanding. No other non-management director holds any outstanding stock options and no stock options have been granted to directors by A&B or by A&B Predecessor since 2007.
- (3) There are no active retirement plan participants at the end of 2018.
- (4) Under A&B's retirement policy for directors, Mr. King retired from the Board of Directors on April 24, 2018.
- (5) Represents compensation paid to Mr. Kuriyama as non-executive Chairman of the Board.
- (6) Mr. Lewis has elected to defer payment of his retainer and meeting fees for 2018.

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CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

Our Board of Directors approved the following non-employee director compensation schedule of annual fees, which was developed with the assistance of WTW.

Annual Board Retainer		\$56,000
Chairman of the Board Annual Retainer		\$85,000
Lead Director Retainer (in addition to Board Retainer)		\$25,000
		\$9,000
	Audit	\$7,500
		\$6,000
	Compensation	
Committee Member Retainers (in addition to Board Retainer)	Nominating and Corporate Governance	\$14,000
	Audit	\$10,000
		\$7,500
	Compensation	
Committee Chair Retainers (in addition to committee member retainer)	Nominating and Corporate Governance	\$90,000
Annual Equity Award		\$135,000
Chairman of the Board Equity Award		

Directors are provided an additional per meeting fee of \$750 if the number of board or committee meetings they attend exceeds an annual predefined number, which is currently set at:

Board 7 meetings

Audit 6 meetings

Compensation 5 meetings

Nominating and Corporate Governance 4 meetings

Under the terms of the Alexander & Baldwin, Inc. 2012 Incentive Compensation Plan ("2012 Plan"), an automatic annual grant of restricted stock units ("RSUs") is made to each director at each Annual Meeting of Shareholders. A prorated grant is made upon appointment as a director at any time between Annual Meetings. Awards made prior to April 2018 vest in equal increments of one-third each over three years. Starting with the April 2018 annual grant, awards vest in their entirety on their one-year grant date anniversary. Non-employee directors may defer all or a portion of their vested shares until cessation of board service or the fifth anniversary of the award date. Non-employee directors may defer half or all of their annual cash retainer and meeting fees until retirement or until a later date they may select. Directors who are employees of A&B or its subsidiaries do not receive compensation for serving as directors.

Under A&B Predecessor's retirement plan for directors, which was frozen effective December 31, 2004, a director with five or more years of service will receive a lump-sum payment upon retirement or attainment of age 65, whichever is later, that is actuarially equivalent to a payment stream for the life of the director consisting of 50 percent of the amount of the annual retainer fee in effect on December 31, 2004, plus 10 percent of that amount for each year of service as a director over five years (up to an additional 50 percent). Only Mr. King had an accrued benefit under the retirement plan for directors.

*Director Business Travel Accident Coverage.* Non-management directors have coverage of \$200,000 for themselves and \$50,000 for their accompanying spouses while traveling on A&B business.

*Matching Gift Program.* Directors may participate in A&B's matching gifts program for employees, in which A&B matches contributions to qualified cultural and educational organizations up to an aggregate maximum of \$3,000 annually.

*Director Share Ownership Guidelines.* The Board has adopted guidelines that encourage each non-employee director to own A&B common stock (including RSUs) with a value of \$280,000, which is five times the current annual board retainer of \$56,000, within five years of becoming a director. All current directors have met or are on track to meet the established guidelines within the required timeframe.

*Communications with Directors.* Shareholders and other interested parties may contact any of the directors by mailing correspondence "c/o A&B Law Department" to A&B's headquarters at 822 Bishop Street, Honolulu, Hawaii 96813. The Law Department will forward such correspondence to the appropriate director(s). However, the Law Department reserves the right not to forward any offensive or otherwise inappropriate materials.

In addition, A&B's directors are encouraged to attend the Annual Meeting of Shareholders. All of the current A&B directors attended the 2018 Annual Meeting.

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## SECURITY OWNERSHIP OF CERTAIN SHAREHOLDERS

The following table lists the names and addresses of the only shareholders known by A&B on February 15, 2019 to have owned beneficially more than five percent of A&B's common stock outstanding, the number of shares they beneficially own, and the percentage of outstanding shares such ownership represents, based upon the most recent reports filed with the SEC. Except as indicated in the footnotes, such shareholders have sole voting and dispositive power over shares they beneficially own.

The Vanguard Group 100 Vanguard Blvd. Malvin, PA 19355	9,917,965(a)	13.8%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	7,931,586(b)	11.0%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	6,381,944(c)	8.9%
Wellington Management Group LLP 280 Congress Street Boston, Massachusetts 02210	4,216,643(d)	5.8%

- (a) As reported in Amendment No. 8 to Schedule 13G dated February 11, 2019 (the "Vanguard 13G") filed with the SEC. According to the Vanguard 13G, as of December 31, 2018, The Vanguard Group has sole voting power over 65,779 shares and sole dispositive power over 9,843,746 shares, has shared voting power over 14,262 shares, and has shared dispositive power over 74,219 shares.
- (b) As reported in Amendment No. 9 to Schedule 13G dated January 24, 2019 (the "BlackRock 13G") filed with the SEC. According to the BlackRock 13G, as of December 31, 2018, BlackRock, Inc. has sole voting power over 7,756,243 shares and sole dispositive power over 7,931,586 shares and does not have shared voting or shared dispositive power over any shares.
- (c) As reported in Amendment No. 3 to Schedule 13G dated February 14, 2019 (the "T. Rowe 13G") filed with the SEC. According to the T. Rowe 13G, as of December 31, 2018, T. Rowe Price Associates has sole voting power over 822,864 shares and sole dispositive power over 6,381,944 shares and does not have shared voting

or shared dispositive power over any shares.

(d)

As reported in Schedule 13G dated February 12, 2019 (the "Wellington 13G") filed with the SEC. According to the Wellington 13G, as of December 31, 2018, Wellington Management Group LLP has shared voting power over 3,398,133 shares and shared dispositive power over 4,216,643 shares and does not have sole voting or sole dispositive power over any shares.

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## CERTAIN INFORMATION REGARDING DIRECTORS AND EXECUTIVE OFFICERS

*Security Ownership of Directors and Executive Officers.* The following table shows the number of shares of A&B common stock beneficially owned as of February 15, 2019 by each director and nominee, by each executive officer named in the "Summary Compensation Table" below, and by directors and executive officers as a group and, if at least one-tenth of one percent, the percentage of outstanding shares such ownership represents. Except as indicated in the footnotes, directors, nominees and executive officers have sole voting and dispositive power over shares they beneficially own.

W. Allen Doane	58,902	0	58,902	0.1
Robert S. Harrison	19,984	0	19,984	
David C. Hulihee	3,194,353	0	3,194,353	4.4
Stanley M. Kuriyama	325,414	218,810	544,224	0.8
Thomas A. Lewis, Jr.	968	0	968	
Douglas M. Pasquale	57,961	0	57,961	0.1
Michele K. Saito	18,360	0	18,360	
Jenai S. Wall	5,836	0	5,836	
Eric K. Yeaman	18,360	0	18,360	
Christopher J. Benjamin	164,378	177,551	341,929	0.5
Diana M. Laing	0	0	0	
Meredith J. Ching	95,968	70,934	166,902	0.2
Nelson N. S. Chun	121,302	68,932	190,234	0.3
Lance K. Parker	12,904	1,740	14,644	
James E. Mead	3,494	0	3,494	
16 Directors and Executive Officers as a Group	4,102,302	537,967	4,640,269	6.4

(a) Amounts include 28,404 shares held in a trust by the spouse of Mr. Benjamin and 213 shares held by the spouse of Ms. Ching.

(b) Amounts include shares as to which certain persons have (i) shared voting and dispositive power, as follows: Mr. Hulihee 2,840 shares, Mr. Pasquale 57,961 shares, Ms. Ching 3,976 shares, and directors, nominees and executive officers as a group 64,787 shares and (ii) sole voting power only: Ms. Ching 624 shares, and directors and executive officers as a group 624 shares.

(c) Amounts reflect shares deemed to be beneficially owned because they may be acquired prior to April 14, 2019 through the exercise of stock options. Amounts do not include 279,675 restricted stock units or performance share units that have been granted to the directors and executive officers as a group that may not be acquired prior to April 14, 2019.

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*Section 16(a) Beneficial Ownership Reporting Compliance.* Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires A&B's directors and executive officers, and persons who own more than 10 percent of A&B's common stock, to file reports of ownership and changes in ownership with the SEC. A&B believes that, during fiscal 2018, its directors and executive officers filed all reports required to be filed under Section 16(a) on a timely basis.

*Certain Relationships and Transactions.* A&B has adopted a written policy under which the Audit Committee must pre-approve all related person transactions that are disclosable under Item 404(a) of SEC Regulation S-K. Prior to entering into a transaction

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with A&B, directors and executive officers (and their family members) must make full disclosure of all facts and circumstances to the Law Department. The Law Department then determines whether such transaction requires the approval of the Audit Committee. The Audit Committee considers all of the relevant facts available, including (if applicable) but not limited to: the benefits to the Company; the impact on a director's or executive's independence, including with respect to an immediate family member of a director or executive or an entity in which a director or executive is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally. The Audit Committee will approve only those related person transactions that are in, or are not inconsistent with, the best interests of the Company and its shareholders. If a related person transaction involves a member of the Audit Committee, that member recuses himself or herself from the process of review and approval.

The Audit Committee has established written procedures to address situations when approvals need to be sought between meetings. Whenever possible, proposed related person transactions will be included as an agenda item at the next scheduled Audit Committee meeting for review and approval. However, if it appears that a proposed related person transaction will occur prior to the next scheduled Audit Committee meeting, approval will be sought from Audit Committee members between meetings. Approval by a majority of the Committee members will be sufficient to approve the related person transaction. If a related person transaction is approved in this manner, the action will be reported at the next Audit Committee meeting.

A&B's business strategy is Hawaii-focused and, accordingly, a number of our directors are Hawaii-based executives who provide extensive local knowledge and insight. Hawaii's business community is relatively small and isolated. Given A&B's position as a major landowner in the state, the largest owner of grocery-anchored retail assets, the largest materials and construction company in the state, and as one of the state's premier real estate developers, it is to be expected that relationships will exist between the Company and key business leaders and their companies, as disclosed below. The transactions described were made in the ordinary course of business and on substantially the same terms as those made with persons not related to A&B.

*Related Person Relationships with First Hawaiian Bank:* Robert S. Harrison and Eric K. Yeaman, directors of A&B, are Chairman and Chief Executive Officer, and President and Chief Operating Officer, respectively, of FHB.

FHB is the largest bank in Hawaii and is the top-ranked Hawaii bank in commercial and industrial lending and in construction and land development loans.

FHB has been a lending partner to the Company and its predecessor for many years prior to Messrs. Harrison and Yeaman joining the Board.

Mr. Yeaman was a member of the Board for three years prior to joining FHB in 2015. Upon joining FHB, he reported his change in employment to the Board; the Board reviewed the change, including consideration of relationships with FHB and Mr. Yeaman's skill set and contributions to the Board, and approved his continued service on the Board.

The Audit Committee reviews all FHB related person transactions.

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All transactions were made in the ordinary course of business, on commercially reasonable, prevailing terms and rates.

FHB (i) has a 15.6 percent participation in A&B's \$450 million revolving credit and term loan agreement (the "Revolver"), of which, in 2018, the largest aggregate amount of principal outstanding was \$318,000,000; \$427,600,000 and \$5,253,000 were paid in principal and interest, respectively, to Revolver lenders that include FHB; and \$110,800,000 was outstanding on February 15, 2019, with interest payable on a sliding scale at rates between 1.25 percent to 2.05 percent (based on A&B's Total Debt to Total Adjusted Asset Value Ratio, as defined in the loan agreement) plus LIBOR, (ii) has a \$5,000,000 loan made to a limited liability company in which a subsidiary of A&B is a member, of which, in 2018, the largest aggregate amount of principal outstanding was \$4,068,000; \$235,000 was paid in principal with an interest rate hedge fixed to 3.835 percent of which net interest paid was \$153,000; and \$3,792,000 was outstanding on February 15, 2019, and of which a subsidiary of A&B is a guarantor in the amount of the lesser of \$3.15 million or the outstanding indebtedness, (iii) has a \$11,700,000 loan made to a limited liability company in which a subsidiary of A&B is a member, of which, in 2018, the largest aggregate amount of principal outstanding was \$11,700,000; \$0 and \$580,000 were paid in principal and interest, respectively; and \$11,700,000 was outstanding on February 15, 2019, with interest payable at a rate of LIBOR plus 3.0 percent, (iv) has a \$60,000,000 loan made to a limited liability company in which a subsidiary of A&B is a member, of which, in 2018, the largest aggregate amount of principal outstanding was \$60,000,000; \$0 was paid in principal with an interest rate hedge fixed to 3.135 percent of which net interest paid was \$1,918,000; and \$60,000,000 was outstanding on February 15, 2019; (v) has a \$25,000,000 loan made to a limited liability company in which a subsidiary of A&B is a member, of which, in 2018 the largest aggregate amount of principal outstanding was \$22,621,000 \$31,406,000 and \$396,000 were paid in principal and interest, respectively; and there was no balance outstanding at February 15, 2019, and (vi) is a commercial tenant in three properties owned by A&B subsidiaries, under leases with terms that

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CERTAIN INFORMATION REGARDING DIRECTORS AND EXECUTIVE OFFICERS

expire between 2022 and 2063, with aggregate gross rents in 2018 of \$990,000 and aggregate net rent from and after January 1, 2019 to the expiration date of the leases of \$8,806,000.

In addition, after the acquisition of Grace Pacific on October 1, 2013, FHB has the following loans or lines of credit with the Company or its subsidiaries/affiliates: (i) a line of credit totaling \$2,000,000 with a limited liability company in which a subsidiary of A&B is a 50 percent member expired in December 2018 and was renewed in January 2019, of which, in 2018, there was no principal balance outstanding; and no amount was outstanding on February 15, 2019, with interest payable at rates between 1.82 percent to 2.25 percent plus LIBOR; (ii) an \$18,000,000 loan, of which, in 2018, the largest aggregate amount of principal outstanding was \$4,604,000; \$2,301,000 and \$202,000 were paid in principal and interest, respectively; and \$2,121,000 was outstanding on February 15, 2019, with interest payable at a rate of 5.19 percent.

*Related Person Relationships with Foodland:* Jenai S. Wall, a director of A&B, is Chairman and Chief Executive Officer of Foodland. Foodland or its sister companies are commercial tenants in ten properties owned by A&B subsidiaries, under leases with terms that expire between 2018 and 2031, with aggregate gross rents in 2018 of \$4,271,000 and aggregate net rent from and after January 1, 2019 to the expiration date of the leases of \$9,068,000. These leases were entered into in the ordinary course of business, on commercially reasonable, prevailing terms and rates.

*Letter Agreement with Diana M. Laing:* The Company entered into an agreement with Diana M. Laing to serve as Interim Executive Vice President and Interim Chief Executive Officer, as described on page 29.

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## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis ("CD&A")

The CD&A addresses A&B's compensation practices for 2018 for the six executive officers named in the Summary Compensation Table on page 33 (collectively, the "Named Executive Officers" or "NEOs"). On November 15, 2018, Diana M. Laing was appointed interim Chief Financial Officer, replacing James E. Mead. Ms. Laing entered into a Letter Agreement with A&B as described on page 29. In order to facilitate a smooth transition, the Company also executed a retention agreement with Mr. Mead, as described on page 29. The compensation for the following NEOs is addressed in the CD&A:

Christopher J. Benjamin, President and Chief Executive Officer

Diana M. Laing, Interim Executive Vice President and Interim Chief Financial Officer ("Interim CFO")

Meredith J. Ching, Executive Vice President, External Affairs

Nelson N. S. Chun, Executive Vice President and Chief Legal Officer

Lance K. Parker, Executive Vice President and Chief Real Estate Officer

James E. Mead, former Executive Vice President and Chief Financial Officer

### Executive Summary

In 2018, our executive compensation program received strong support from shareholders, with approximately 97% of the Say-on-Pay votes cast in favor of the program. We believe this is because our pay program links pay with performance, aligns pay with shareholder interests and follows good governance practices. The vote on executive compensation is just one source of insight regarding shareholder views on our compensation practices. A&B also has an extensive shareholder outreach program that incorporates discussion of various governance topics, including compensation. In 2018, we met on environmental, social and governance-focused matters with shareholders owning a significant percentage of our stock. The feedback we received regarding our compensation practices was very positive. The Compensation Committee welcomes shareholder perspectives on our program and is informed regarding feedback gathered in discussions with shareholders.

*Approach to Compensation Governance.* The Compensation Committee consistently evaluates the Company's executive compensation practices and modifies or adopts programs or practices to provide an appropriate balance of risk and reward. A&B firmly believes in pay for performance and alignment with shareholder interests. Thus, a majority of NEO compensation is tied to performance to ensure alignment with shareholders. 79% of CEO and 65% of other NEO target total direct compensation ("TDC") (excluding the Interim CFO) is performance-based pay aligned

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with shareholder interests. A&B adheres to good governance practices, as listed below, to ensure that it adopts best practices to the extent that they are best aligned to the business goals and strategy of the Company as well as shareholder interests.

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EXECUTIVE COMPENSATION

Promote Good Pay Practices

Direct components of pay are generally targeted at the 50<sup>th</sup> percentile of market pay data

TDC consisting heavily of performance-based compensation

Multiple relevant performance metrics to determine incentive payments

Multi-year performance periods on performance-based equity awards

Multi-year vesting periods on equity awards

Robust stock ownership guidelines for senior executives

Use of tally sheets and wealth assessments

Review of realizable pay of NEOs

Reasonable internal pay ratios

Reasonable severance or change-in control provisions

Double trigger change-in-control severance that requires both a change-in-control and termination of employment before any payments are made

"Clawback" policies established for executives

NEO participation in the same health and welfare benefit plans as other salaried employees

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Conduct shareholder outreach to solicit input and gain investor perspectives on our compensation programs

Anti-hedging policies established

No repricing or replacing of underwater stock options without prior shareholder approval

Pay risk assessments

*Performance Accomplishments in 2018.* 2018 results reflected both the continued success of our core business and our ongoing strategic transformation. Our commercial real estate portfolio continued to generate strong results, buoyed in part by successful asset repositioning efforts. Our broader strategic agenda and simplification efforts were noteworthy, most prominently with the bulk sale of the majority of our agricultural land on Maui. Efforts to improve Materials and Construction operating performance are advancing, but progress trailed expectations and resulted in lower-than-projected earnings from the segment.

### Commercial Real Estate ("CRE") Segment

In 2018, A&B continued to concentrate on its Hawaii-focused commercial real estate strategy to increase its recurring earnings and cash flows. Notable highlights for 2018 are as follows:

CRE operating profit was \$58.5 million in 2018, compared to \$34.4 million in 2017.

Same-store Cash NOI was up 3.6% compared to 2017.

Occupancy was 92.4% at the end of 2018, slightly down from 93.5% in 2017.

240 leases were signed, covering 825,000 square-feet of gross leasable area, with an 8.4% leasing spread.

Re-merchandised the 411,000 square-foot Pearl Highlands Center with the opening of ULTA, a fully leased Food Court, a renovated Regal Cinemas, and a new lease with Guitar Center.

Commenced construction at the 94,000-square-foot, Safeway-anchored Ho'okele Shopping Center, adjacent to Maui Business Park in Kahului.

Completed the redevelopment of Lau Hala Shops in Kailua. The center is now 100% leased as of December 31, 2018.

Purchased a 415,200-square-foot portfolio of three, newly constructed, premier retail centers ("TRC Properties") located in Hawai'i, for \$256.7 million. The acquisition was financed with sources from property sales including the sale of the Company's last seven mainland properties.

Completed the strategic migration of its commercial real estate portfolio from the U.S. mainland to Hawai'i.

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Land Operations Segment

Upon cessation of the Company's sugar operations, the Company realigned its operations pursuant to which its diversified agricultural activities were combined with its development for sale activities for financial reporting purposes. The Land Operations segment is focused on managing activities conducted on the Company's landholdings (historical and acquired), including land stewardship, renewable energy, development for sale and diversified agriculture. Significant accomplishments in 2018 included:

The Company continued to monetize land and non-CRE investments, the most significant of which was the bulk sale in December 2018 of 41,000 acres of agricultural land on Maui for approximately \$262 million.

Successfully closed all 69 units in the Company's joint venture project, Keala o Wailea, 91 units at the Company's Kamalani residential project on Maui, and 28 units at the Company's Kukui'ula joint venture.

Materials & Construction

Grace Pacific results were significantly impacted by competitive pressures that lowered margins.

M&C Adjusted EBITDA(1) was \$14.5 million for the year ended December 31, 2018, as compared to \$32.0 million for the prior year. While paving operations improved, overall profitability in the quarry and hot mix asphalt divisions were impacted by a restructuring of operations in 2018. Segment results during 2018 reflected lower margins due to reduced quarry production and paving volumes, lower pricing margins, lower joint venture earnings and higher general and administrative expenses related to process improvement initiatives and personnel transition costs.

Backlog for the Company's Materials & Construction segment was \$128.7 million at December 31, 2018, as compared to \$202.1 million for the comparable prior year period, due in part to changes in the methodology used by local government entities in contracting for paving services.

Other

A number of financing activities were completed at attractive rates, including the addition of a \$50 million bank term loan facility maturing in 2023, the refinancing of an existing \$62.5 million loan that was to mature in 2024, and three new financings maturing in 2025, 2027 and 2028.

Following an increase in its debt associated with the January 2018 Special Distribution, the Company reduced total debt by \$60.5 million from March 31, 2018 to December 31, 2018.

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### Compensation Overview

The Company's executive compensation programs are administered by its Compensation Committee. The Compensation Committee has retained WTW to provide advice and analysis on the design, structure and level of executive compensation for A&B.

*Compensation Philosophy and Objectives.* The Company seeks to align its objectives with shareholder interests through a compensation program that attracts, motivates and retains qualified and effective executives, and rewards performance and

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- (1) Refer to pages 42 to 44 for reconciliations of GAAP to non-GAAP measures.

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EXECUTIVE COMPENSATION

results. To achieve this, the Company uses the following pay elements, which are described more fully under the "Pay Elements" section of the CD&A:

Base Salary	Cash		Provides a fixed rate of pay based upon an executive's responsibilities
Annual Cash Incentives	Cash	65.50% to 80% Financial Operating Goals	Rewards achievement of annual Company, business unit and individual performance
Long-Term Incentives	50% Performance Share Units	20% to 34.5% Value Creation Goals Relative 3-year TSR (FTSE NAREIT All Equity REIT Index & Selected Peer Group)	Reinforces pay-for-performance principles  Aligns the executives' long-term interests with those of A&B's shareholders, motivates long-term performance and provides retention benefits
	50% Restricted Stock Units	3-year vesting period	Aids in attracting and retaining employees
Health and Welfare Benefits			Reinforces pay-for-performance principles
Retirement Benefits			Aids in attracting and retaining employees
Severance Benefits			Assists employees with retirement income savings and attracts and retains employees
			Retains talent during transitions due to a Change in Control or other covered events

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*Pay for Performance.* The Company's overall performance in 2018 was reflected in elements of compensation earned by NEOs (excluding the Interim CFO) for 2018.

*Base Salary:* Ranged from the 45<sup>th</sup> to the 50<sup>th</sup> percentiles of competitive market rates.

*Target Total Cash ("TTC"):* Consisted of base salary plus target annual cash incentives. NEO TTC ranged from the 45<sup>th</sup> to the 50<sup>th</sup> percentiles.

*Long-term Incentives ("LTI"):* Ranged from the 45<sup>th</sup> to the 50<sup>th</sup> percentiles.

*Target Total Direct Compensation ("TDC"):* Ranged from the 45<sup>th</sup> percentile to the 50<sup>th</sup> percentile.

*Pay Mix.* The Company's combination of pay elements is designed to place greater emphasis on performance-based compensation, while at the same time focusing on long-term talent retention and ensuring an appropriate balance between pay and risk. The Committee believes this is consistent with one of its key compensation objectives, which is to align management and shareholder interests. For 2018, the TDC mix was generally within the same range as competitive practices based on survey data for each element of pay, as shown by the following table.

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EXECUTIVE COMPENSATION

Percentage of Target Total Direct Compensation  
Provided by Each Pay Element for 2018

*Assessment of Total Compensation.* In evaluating and making pay decisions, the Compensation Committee utilizes the following tools, resources and information:

Company and individual performance

Projected salary increases in the general industry

Say-on-Pay vote results

Value of the total pay package

Competitive market data

Alignment to pay-for-performance principles

Economic environment

Reasonableness and balance of pay risk

Job responsibilities and experience

Internal pay equity

Positioning within the executive's salary range

NEO's current and expected future contributions

Tally sheets covering the past 5 years

Size of recent awards

Accrued benefits balances

Investor feedback

Positioning in relation to the pay philosophy

*Internal Pay Equity.* The Compensation Committee considers internal pay equity as a factor in establishing compensation for executives. While the Compensation Committee has not established a specific policy regarding the ratio of total compensation of the CEO to that of the other executive officers, it does review compensation levels to ensure that appropriate internal equity exists. In 2018, it reviewed the ratio of the CEO's salary, TTC and TDC relative to the average compensation for the other NEOs. These ratios also were compared to benchmark survey data to determine whether compensation relationships are consistent with market practices. The Company's target and actual ratios were within a reasonable range and reflect a lower ratio between the CEO and other NEOs than that of companies of similar size in general industry.

### Pay Elements

The Company provides the following pay elements to its executive officers in varying combinations to accomplish its compensation objectives.

*Salary:* Salary is intended to provide a competitive fixed rate of pay based upon an executive's responsibilities. The Company believes that salary is less impactful than performance-based compensation in achieving the overall objectives of the Company's

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executive compensation program. Accordingly, at target, less than half (between 24% to 43%, excluding the Interim CFO) of an NEO's total compensation is paid as salary.

Generally, the Board of Directors determines the CEO's annual salary change on the basis of the factors listed previously in the *Assessment of Total Compensation* section. The Board has a formal performance review process for the CEO that includes categories such as, but not limited to: company goals, financial results, strategic leadership, business management, and talent management. Although performance categories are not formally weighted, and there is no overall rating score, each Board member has an opportunity to provide specific input on the CEO's performance across key categories. The results of this process are carefully considered by the Board in determining the CEO's annual salary.

The CEO recommends annual salary changes for the other NEOs. Salary adjustments for NEOs are generally considered by the Compensation Committee in February of each year for implementation on April 1. Any base salary increases for NEOs in 2018 reflected increases based on performance and the factors listed in the *Assessment of Total Compensation* section above.

## Salary Information for 2017 2018

Mr. Benjamin	\$ 650,000	3%	\$ 670,000
Ms. Laing*	N/A	N/A	\$ 50,000/mo.
Ms. Ching	\$ 288,371	3%	\$ 297,022
Mr. Chun	\$ 341,979	3%	\$ 352,238
Mr. Parker	\$ 375,000	3%	\$ 386,250
Mr. Mead**	\$ 500,000	N/A	N/A

\*

Ms. Laing was hired on 10/10/18 as Interim Executive Vice President and became Interim Chief Financial Officer on 11/15/18.

\*\*

Mr. Mead resigned effective 11/15/18; his base salary as of that date was \$515,000.

*Annual Incentives:* For 2018, annual incentives for NEOs were provided through the Alexander & Baldwin, Inc. Performance Improvement Incentive Plan ("PIIP") to motivate and reward executives for achievement of pre-established corporate goals, business unit goals, and strategic value creation for the Company. Each plan year, a bonus pool is funded for all plan participants (except for the CEO), based on attainment level of goals for that year, as determined by the Compensation Committee. Financial goals were established in February 2018. To determine award levels for the NEOs other than the CEO, Value Creation ratings were recommended by the CEO, based on input from senior management and on business actions and outcomes in support of the Company's strategic direction (as described below). Recommended ratings for the 2018 performance period were considered in determining incentive awards for this group. Recommendations were reviewed and approved by the Compensation Committee.

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For 2018, funding of the PIIP awards for Ms. Ching and Mr. Chun was derived from the following performance measures: Real Estate Development & Sales Gross Margin, CRE Same-Store NOI, aggregate NOI of the TRC Properties and Honokohau Industrial Property (collectively, "CRE Non-Same-Store NOI"); Materials & Construction EBITDA Attributable to A&B, Consolidated Adjusted Pre-tax Income (Loss) and Value Creation ratings for Real Estate, Diversified Agribusiness, Materials & Construction and overall Company performance. These factors were selected because the Company believes they best reflect the results of business execution and profitability levels of the respective operations, and Value Creation reflects accomplishments of the Company that create long-term value for shareholders that are not necessarily reflected in annual financial results.

Mr. Parker's PIIP award funding was derived from the following performance measures: Real Estate Development & Sales Gross Margin, CRE Same-Store NOI, CRE Non-Same-Store NOI, and a Value Creation rating for the real estate operations only.

Due to the impairment recorded in 2018 related to the Company's Kukui'ula investment, and the fact that this impairment did not otherwise have a negative impact on the Real Estate financial metrics, Mr. Parker's Gross Margin metric, which otherwise would have been maximum, was adjusted in consideration of the non-cash impairment.

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The aggregate amount of the incentive pool for the NEOs can range between 0% to 200% of target based on the achievement of financial goals approved in February and ratings for Value Creation. The incentive pool is funded by aggregating the target incentives for each participant in the plan, excluding the CEO, and multiplying that sum by the performance ratings for the applicable measures at below threshold, threshold, target or maximum levels, with proration between these levels, as determined by the Compensation Committee.

Each individual's actual incentive award may be modified from his or her funding level using an individual performance modifier that ranges from 0% to 150%, so long as the aggregate incentive pool established is not exceeded for PIIP executives. The CEO recommended no modification of the other NEOs awards for 2018. The CEO's award is determined by the Compensation Committee and does not positively or negatively affect the aggregate incentive pool.

Bonus for the CEO was determined by the Compensation Committee, separate from other plan participants. While the Committee considers the funding level resulting from overall company results, the Committee may exercise its discretion to award at higher or lower levels for the CEO depending on how individual performance and contributions are assessed. The CEO's target is determined by incentive market data and an evaluation of performance determines the CEO's bonus award as a percentage of target. The Compensation Committee conducted an overall evaluation of the Company's and CEO's 2018 performance and awarded an incentive payout at 105.6% of target.

The Company believes that the annual incentive structure drives the following objectives:

Aligning with key goals/objectives

Fostering a team environment while allowing for flexibility in individual recognition

Motivating and rewarding value creation over both the short and long term

*Company and Business Unit Performance.* The annual corporate and business unit targets are based on the Company's Board-approved operating plan and adjusted in certain instances to exclude the effect of certain items. When establishing the operating plan, management and the Board of Directors consider the historical performance of the Company, external elements such as economic conditions and competitive factors, Company capabilities, performance objectives, and the Company's strategic plan. The maximum and threshold performance ranges were determined on the basis of the level of difficulty in achieving the objective and are intended to ensure an enduring standard of performance.

For determination of award pool funding for 2018, the Company's operating performance was compared to performance goals and value creation in support of strategic direction, as approved by the Compensation Committee.

CRE Same-Store NOI Increase(2)	1.8%	3.9%	5.0%	3.6%
CRE Non-Same-Store NOI(2)	\$ 9.8	\$ 10.3	\$ 10.6	\$ 10.6
Real Estate Development & Sales Gross Margin	\$ 38.6	\$ 51.5	\$ 64.4	\$ 175.7

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Materials & Construction EBITDA Attributable to A&B(2)	\$ 24.8	\$ 29.2	\$ 33.6	\$ (63.3)
Value Creation Materials & Construction	1.0	2.0	3.0	0
Value Creation Diversified Agribusiness	1.0	2.0	3.0	3.0
Value Creation Real Estate	1.0	2.0	3.0	2.25
Consolidated Adjusted Pre-tax Income (Loss)(2)	\$ 94.5	\$ 105.0	\$ 115.5	\$ (49.0)
Value Creation Consolidated	1.0	2.0	3.0	2.5

The incentive compensation for Mr. Chun and Ms. Ching was based on a weighted mix of (a) the level of achievement of the financial and operating goals set forth in the table above and (b) the scores awarded for Value Creation accomplishments achieved by each of the operating segments and the Company on a consolidated basis. The incentive compensation for Mr. Parker was based on Real Estate Development & Sales Gross Margin, Commercial Real Estate Same-store NOI, Non-Same-Store NOI, and Value Creation rating for real estate operations, adjusted to reflect a non-cash impairment. Mr. Mead received a bonus of \$360,500 for 2018 (his annual PIIP target) per his retention agreement as described on page 29. Ms. Laing

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(2)

Refer to pages 42 to 44 for reconciliations of GAAP to non-GAAP measures.

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## EXECUTIVE COMPENSATION

was not eligible to participate in the PIIP for 2018. As described earlier, Mr. Benjamin's annual incentive award is determined by the Compensation Committee based on its assessment of his individual performance and contributions, taking into account overall Company results.

The levels of achievement for financial and operating goals and value creation are rated on a scale from 0 to 3, as follows: 0 for below threshold performance, 1.0 for threshold performance, 2.0 for target performance and to 3.0 for maximum performance, with proration between threshold, target and maximum. Based on 2018 performance shown above, the NEOs received scores for financial and operating goals ranging from 0 to 3.0 on the various metrics. The financial and operating goals account for 65.5% of Mr. Chun's and Ms. Ching's total incentive award, and Value Creation accounts for the remaining 34.5%. Mr. Parker's award is based on real estate goals, which are comprised of 80% real estate financial goals and 20% real estate Value Creation.

The term "Value Creation" reflects performance and accomplishments of the Company that advance value creation for shareholders. Accordingly, Value Creation may or may not be included in earnings for the current year. Examples of ways to create value include identifying and pursuing redevelopment and build-for-hold projects, converting non- to minimal-earning assets into commercial properties with a stable or growing income stream and structural changes, such as effecting a REIT conversion. With input from the CEO, the Compensation Committee reviews and approves the Value Creation ratings.

*Individual Performance.* In addition to corporate and business unit performance goals, each NEO's 2018 award could be modified between 0% to 150% based on individual performance. The CEO evaluated the other NEOs' performance and did not apply any modifiers for 2018. The Compensation Committee approved each NEO's award. The CEO's performance is reviewed and approved by the Compensation Committee each year. The Committee reviewed the CEO's performance at its January meeting and approved an incentive award of \$778,272 as determined by the Committee's assessment of the Company's overall performance and the CEO's performance and contributions in 2018. The Committee determined the CEO's award to be 105.6% of target.

Actual awards earned in total by the NEOs were slightly higher than the overall targeted goal payouts and were as follows:

Mr. Benjamin	110%	\$ 737,000	116.2%	\$ 778,272	105.6
Ms. Laing*	N/A	N/A	N/A	N/A	N/A
Ms. Ching	55%	\$ 163,362	58.1%	\$ 172,475	105.6
Mr. Chun	55%	\$ 193,731	58.1%	\$ 204,538	105.6
Mr. Parker	70%	\$ 270,375	76%	\$ 293,672	108.6
Mr. Mead**	70%	\$ 360,500	N/A	\$ 360,500	100

\*

Ms. Laing, as interim CFO, is not eligible for PIIP.

\*\*

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Mr. Mead resigned, effective 11/15/18. Under a retention agreement, he received a \$360,500 bonus.

### *Equity-Based Compensation:*

Equity grants are generally considered and granted annually in January by the Compensation Committee. Based on current market data provided by WTW, the CEO makes recommendations for each executive officer other than the CEO to the Compensation Committee, which retains full authority to set the actual grant amount. In determining the type and size of a grant to an executive officer, the Compensation Committee generally considers, among other things, the items mentioned above in the *Assessment of Total Compensation* section.

In 2018, the Company issued equity awards with a mix of 50% PSUs and 50% RSUs.

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RSUs are awards that are settled in shares but vest in thirds over a three-year period based on service. RSUs are intended to focus behaviors on improving long-term stock price performance on an absolute basis (as a complement to the relative-performance nature of PSUs), increase share ownership and strengthen retention of participants through a three-year vesting period. Under the service-vesting requirement, recipients must remain employed until the end of the vesting period to earn any shares that become issuable. Pro-rata vesting will apply to the extent employment ceases with the Company during the restricted period by reason of death, disability or retirement during the vesting period. Grantees receive dividends on the full amount of RSUs granted, regardless of vesting, at the same rate as is payable on the Company's common stock.

2018 PSUs will be settled in shares and have both a performance- and service-vesting requirement. The performance requirement is based on A&B's TSR results relative to the TSR of companies that comprise the FTSE NAREIT All REITs Index and a select group of peer REITs that are a subset of the FTSE NAREIT All REITs Index focused on shopping center and diversified companies, with market capitalization between \$500 million and \$6 billion. PSUs have concurrent three-year performance and vesting horizons. Under the service-vesting requirement, recipients must remain employed until the end of the performance and vesting period to earn any shares that become issuable. Pro-rata vesting will apply to the extent employment ceases with the Company during the performance period by reason of death, disability or retirement, with proration to be applied to the number of shares resulting from the Company's relative TSR over the performance period. PSUs are intended to motivate recipients to focus on A&B shareholder returns relative to the share performance of other U.S.-based companies with similar market capitalization. The service requirement provides that PSUs cliff vest after a three-year period (concurrent with the performance period), as defined by the award. Payment of accrued dividend equivalents on PSUs will be made upon attainment of the applicable performance goals and will be paid according to the number of actual shares earned.

## Performance Ranges for 2018 PSUs

Threshold	35 <sup>th</sup> Percentile	35% of Target
Target	55 <sup>th</sup> Percentile	100% of Target
Maximum	75 <sup>th</sup> Percentile	200% of Target

\*

With proration between these levels

*2016 PSUs:* With TSR at the 17.1 percentile for the S&P Midcap 400 index and at the 29.5 percentile for the Russell 2000 index, none of the PSUs granted in 2016 were earned. Amounts forfeited were as follows: Mr. Benjamin 23,416 PSUs, Ms. Ching and Mr. Chun 7,154 PSUs, and Mr. Parker 5,202 PSUs.

## LTI and Total Direct Compensation Positioning for 2018

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Mr. Benjamin	\$ 670,000	\$ 1,800,000	\$ 3,207,000
Ms. Laing	\$ 600,000	N/A	N/A
Ms. Ching	\$ 297,022	\$ 275,000	\$ 735,384
Mr. Chun	\$ 352,239	\$ 275,000	\$ 820,969
Mr. Parker	\$ 386,250	\$ 600,000	\$ 1,256,625
Mr. Mead	N/A	\$ 800,000	\$ 1,675,500*

\*

Calculated based on a base salary of \$515,000

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## EXECUTIVE COMPENSATION

*Retirement Plans:* The Company provides various retirement plans to assist its employees with retirement income savings and to attract and retain its employees. The Committee periodically reviews the value of benefits from the retirement plans in conjunction with all other forms of pay in making compensation decisions.

*A&B Retirement Plan for Salaried Employees (Frozen since 2012):* The A&B Retirement Plan for Salaried Employees (the "Qualified Retirement Plan"), which is a tax-qualified defined benefit pension plan, provides pension benefits to the Company's salaried non-bargaining unit employees. The Pension Benefits table of this Proxy Statement provides further information regarding the Qualified Retirement Plan. In 2007, A&B Predecessor closed participation in its traditional defined pension plan for new non-bargaining unit employees hired after January 1, 2008. Effective January 1, 2012, the Company froze benefit accruals under its traditional defined benefit plans for all non-bargaining unit employees hired before January 1, 2008 and replaced the benefit with a cash balance formula in which participants accrue 5% of their eligible annual compensation.

*A&B Individual Deferred Compensation and Profit Sharing Plan:* The Company has a tax-qualified defined contribution retirement plan (the "A&B Profit Sharing Retirement Plan") available to all salaried non-bargaining unit employees, with at least one year of service, that provides for performance-based discretionary contributions to participants based on the degree of achievement of goals similar to 2018 PIIP goals (excluding the impact of the Kuku'i'ula impairment) as determined by the Compensation Committee. In 2018, available contributions were set between zero and five percent of each employee's base salary. There was a 3.62% profit-sharing contribution for 2018. The plan also provides a discretionary match under the Individual Deferred Compensation (401(k)) component of the plan for all salaried non-bargaining unit employees. In 2018, that plan provided for a match of up to three percent of the compensation deferred by a participant during the fiscal year, subject to IRS maximum compensation limitations. The value of the Company's 2018 profit sharing contribution and Individual Deferred Compensation matches for NEOs are included in the Summary Compensation Table of this Proxy Statement.

*A&B Excess Benefits Plan:* This non-qualified benefit plan (the "Excess Benefits Plan") for executives is designed to meet the retirement plan objectives described above. Certain executives, including all NEOs, are eligible to participate in the Excess Benefits Plan. It complements the Qualified Retirement Plan and A&B Profit Sharing Retirement Plan by providing benefits and contributions in amounts that could not be provided by those plan's formulas due to the limits imposed by tax law. The Pension Benefits table of this Proxy Statement provides further information regarding the A&B Excess Benefits Plan.

*Employment and Other Agreements:* Except as set forth below, the Company does not provide employment or similar agreements for any of the NEOs. The Company believes in a policy of "at will" employment.

On September 6, 2018, A&B announced the resignation of Mr. Mead as Executive Vice President and CFO, effective as of November 15, 2018. To provide for an orderly transition, the Company entered into a retention agreement with Mr. Mead under which he received \$360,500 (his annual PIIP target) if he remained employed with A&B through November 15, 2018. During this period, Mr. Mead continued to receive his current base salary and remained eligible to participate in A&B's benefit plans.

Effective October 10, 2018, Ms. Laing was appointed Interim Executive Vice President; she became Interim CFO, effective November 15, 2018. The Company entered into a letter agreement with Ms. Laing dated September 28, 2018, under which Ms. Laing was paid a base salary of \$50,000 per month. Ms. Laing's interim role will not last beyond April 10, 2019, with a one-time possible extension of no more than 90 days.

*Severance Plan and Change in Control Agreements:* The Company provides severance benefits pursuant to the Severance Plan and change in control agreements to certain executives, including the NEOs, to retain talent during transitions due to a Change in Control or other covered event and to provide a competitive pay package. The Compensation Committee designed the change in control agreement to provide a competitively structured program, and yet be conservative overall in the amounts of potential award payouts. The Compensation Committee's

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decisions regarding other compensation elements are affected by the potential payouts under these arrangements, as the Committee considers how the terms of these arrangements and the other pay components interrelate. These agreements are described in further detail in the "Other Potential Post-Employment Payments" section of this Proxy Statement.

*Retiree Health and Medical Plan:* The Company provides NEOs with the same retiree medical and life insurance benefits as are provided in general to all salaried non-bargaining unit employees who joined A&B Predecessor prior to January 1, 2008. The Company's contribution towards the monthly medical premium is based on the employee's age and years of service and is capped at \$136 per month. The benefits from these plans are reflected in the "Other Potential Post-Employment Payments" section of this Proxy Statement.

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EXECUTIVE COMPENSATION

The Role of Compensation Survey Data

The Company uses published compensation survey data as a reference, but does not benchmark against specific companies within such surveys. The Company operates in a number of different industries and there are no companies that are considered directly comparable in business mix, size and geographic relevance. Accordingly, the Company does not use data that are specific to any individual segment of the Company's business but instead, based on the recommendation of WTW, uses data from three national and highly recognized published surveys representing a broad group of general industry and real estate companies similar in size to the Company to assess the Company's pay practices. WTW uses data subsets in each survey that represent companies of similar size with revenues between \$250 million and \$1 billion. The survey sources provide only one of the tools that the Committee uses to assess appropriate pay levels. Internal equity, Company performance, business unit performance, compensation philosophy, performance consistency, historical pay movement, pay mix, pay risk, economic environment and individual performance are also reviewed.

The surveys used by WTW in its assessment of total direct compensation and CEO pay ratio as compared to other NEOs include:

WTW 2018 CDB General Industry Executive Database

WTW 2018 Long-term Incentives, Policies and Practices Survey

National Association for Real Estate Investment Trust (NAREIT) 2018 Compensation Survey

The Role of the Compensation Consultant

After conducting a search, the Compensation Committee selected and has since directly retained WTW, an independent executive compensation consulting firm, to assist the Committee in:

Evaluating salary and incentive compensation levels

Reviewing and suggesting executive pay plan design modifications

Understanding current trends and legislative reform initiatives in the area of executive compensation

Assessing appropriate outside Board of Director pay levels and structuring

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The executive compensation consultant reports directly to the Committee and takes instructions from the Committee. The Committee approves all WTW engagements, including the nature, scope and fees of assignments.

In selecting WTW, the Compensation Committee considered, among other factors, the following:

Depth and breadth of executive compensation knowledge and experience

Qualifications as a board-level consultant

Quality of resources available (staff, data, etc.)

Understanding of A&B's business strategy and issues, industry, performance drivers and human capital considerations

Objectivity in advice and recommendations

Willingness to provide candid feedback regarding management and Committee proposals, questions and concerns

Accessibility and availability

Reporting relationship with the Committee

Working relationship with management and its human resources staff

Effectiveness of communication

WTW takes the following safeguards to ensure that its services and advice are objective:

The individuals providing consulting services to the Committee are not personally involved in other services WTW may provide to the Company

The individuals providing consulting services to the Committee are not directly compensated for the total revenues that WTW generates from the Company



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EXECUTIVE COMPENSATION

WTW's executive compensation consultants do not hold an equity stake in the Company

Other services, if any, are provided under a separate contractual arrangement

WTW's executive compensation consultants do not serve as WTW's client relationship manager on services provided to the Company

The WTW executive compensation consultants have direct access to all members of the Committee during and between meetings

WTW consultants are required to adhere to a stringent code of conduct articulating their commitment to impartial advice

The Compensation Committee has reviewed WTW's work, policies and procedures and determined that no conflicts of interest exist. In accordance with the New York Stock Exchange ("NYSE") requirements, the Compensation Committee annually assesses the independence of its compensation consultant, outside legal counsel, and other advisers who will provide services with respect to executive compensation matters. In assessing independence, the Compensation Committee considers the following factors, among others:

Whether a compensation adviser's employer provides other services to A&B

The amount of fees the compensation adviser's employer receives from A&B as a percentage of such employer's total revenues

The compensation adviser's policies and procedures to prevent conflicts of interest

Business or personal relationships between a compensation adviser and any member of A&B's compensation committee

The compensation adviser's stock ownership in A&B

Business or personal relationships between a compensation adviser or the compensation adviser's employer and any executive officer of A&B

The Role of Management

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Management assists the Compensation Committee in its role of determining executive compensation in a number of ways, including:

Providing management's perspective on compensation plan structure and implementation

Identifying appropriate performance measures and suggesting company, unit and individual performance goals that are consistent with the Board-approved operating plans

Providing the data used to measure performance against established goals, with the CEO providing perspective on individual executive performance and compensation amounts

Providing recommendations, based on information provided by WTW, regarding pay levels for officers on the basis of plan formulas, salary structures and the CEO's assessment of individual officer performance

### Tax and Accounting Considerations

In evaluating the Company's executive compensation structure, the Compensation Committee considers tax and accounting treatment, balancing the effects on the individual and the Company. Until the adoption of the Tax Cuts and Jobs Act (the "Tax Act") on December 22, 2017, Section 162(m) of the Internal Revenue Code limited the tax deductibility of certain executive compensation in excess of \$1,000,000 for any fiscal year, except for certain "performance-based compensation." With the passage of the Tax Act, only qualifying performance-based compensation paid pursuant to a written binding contract in effect on November 2, 2017 (and not modified in any material respect on or after November 2, 2017) as set forth under the Tax Act will be eligible for this deduction exception. The Tax Act also expanded the executive officers covered by Section 162(m) to include the chief financial officer position as well as any person who ever was a covered executive for any prior taxable year, beginning after December 31, 2016. As a result of these changes, starting in 2018, most compensation in excess of \$1,000,000 payable to any person who was a named executive officer of the Company since fiscal year 2016 will not be deductible, regardless of whether the compensation is performance-based.

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EXECUTIVE COMPENSATION

The Compensation Committee believes that the potential deductibility of the compensation payable under those programs should be only one of a number of relevant factors taken into consideration, and not the sole or primary factor, in establishing the cash and equity compensation programs for the executive officers. The Compensation Committee believes that cash and equity incentive compensation must be maintained at the requisite level to attract and retain the executive officers essential to the Company's financial success, even if all or part of that compensation may not be deductible by reason of the Section 162(m) limitation. The Compensation Committee will continue to maintain flexibility and the ability to pay competitive compensation by not requiring all compensation to be deductible.

Stock Ownership Guidelines

To enhance shareholder alignment and ensure commitment to value-enhancing, longer-term decision-making, the Company has established stock ownership guidelines. Executives are required to own a value of stock equal to the salary multiple below within a five year-period from commencement of employment or within a five-year period after a change in salary based on promotion:

CEO	5X
Other NEOs	3X

All NEOs, other than the Interim CFO, have met or are on track to meet the ownership guidelines.

Equity Granting Policy

Equity awards are expected to be granted for current employees at the January Compensation Committee meeting each year. Equity grants for new hires or promoted employees are approved at regularly scheduled Compensation Committee meetings. The timing of these grants is made without regard to anticipated earnings or other major announcements by the Company.

Policy Regarding Speculative Transactions and Hedging

The Company has adopted a formal policy prohibiting directors, officers and employees from (i) entering into speculative transactions, such as trading in options, warrants, puts and calls or similar instruments, involving A&B stock, or (ii) hedging or monetization transactions, such as zero-cost collars and forward sale contracts, involving A&B stock.

Policy Regarding Recoupment of Certain Compensation

The Company has adopted a formal "clawback" policy for senior management, including all NEOs. Pursuant to the policy, the Company will seek to recoup certain incentive compensation, including cash and equity bonuses based upon the achievement of financial performance metrics, from executives in the event that the Company is required to restate its financial statements due to a material noncompliance with any financial reporting requirement.

Compensation Committee Report

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The Compensation Committee has reviewed and discussed the CD&A section of this Proxy Statement with management and, based on these discussions and review, it has recommended to the Board of Directors that the CD&A disclosure be included in this Proxy Statement.

The foregoing report is submitted by Ms. Saito (Chair), Mr. Lewis and Ms. Wall.

### Compensation Committee Interlocks and Insider Participation

During 2018, the members of the Compensation Committee were Mr. King (through April 24, 2018), Mr. Lewis, Ms. Saito and Ms. Wall. As set forth above under the subsection "Certain Relationships and Transactions," Ms. Wall is an executive officer in a corporation that is a tenant in several properties owned by A&B subsidiaries with leases established at market rates. Because of this related person transaction, Ms. Wall did not participate in any equity compensation decisions.

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## EXECUTIVE COMPENSATION

*Summary Compensation Table.* The following table summarizes the compensation paid by A&B to its NEOs in 2018, 2017 and 2016.

## 2018 Summary Compensation Table

er in	2018	665,000	268,504	2,003,838	N/A	509,768	0(6)	32,323
	2017	642,000	312,000	1,351,879	N/A	382,327	229,870	8,100
	2016	613,500	363,075	886,684	N/A	159,600	194,648	7,950
	2018	134,531	N/A	N/A	N/A	N/A	N/A	N/A
&								
J.	2018	277,923	59,504	306,116	N/A	112,971	0(8)	15,146
	2017	264,088	69,209	289,608	N/A	84,809	222,678	7,923



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	2016	253,229	82,242	270,904	N/A	36,152	176,230	7,597
S.	2018	349,674	70,566	306,116	N/A	133,972	0(9)	20,908
	2017	339,489	82,075	289,608	N/A	100,575	38,926	8,100
l	2016	329,601	97,531	270,904	N/A	42,873	31,051	7,950
	2018	383,438	58,734	667,946	N/A	234,938	5,608	22,130
	2017	340,863	61,543	318,612	N/A	201,109	65,842	8,100
	2016	306,750	69,525	196,994	N/A	78,980	32,575	7,950
	2018	446,875	360,500(10)	890,554	N/A	N/A	N/A	4,506
	2017	238,782	150,000	681,706	N/A	N/A	N/A	23,811

(1) Represents the NEO's award attributable to Value Creation and individual modifiers under the PIIP program for the fiscal year identified in column (b) payable in cash in February of the following year.

(2) Represents the grant-date fair value of time-based restricted stock units and the grant-date fair value of performance stock units for the fiscal year identified in column (b) granted in 2018. Performance stock units awarded in 2018 vest in January 2021 if performance goals are attained at target. If maximum performance goals applicable to the performance stock units were to be achieved, the values in this column with respect to 2018 would be as follows: Mr. Benjamin, \$3,107,688; Mr. Mead, \$1,381,131; Mr. Chun, \$474,746; Ms. Ching, \$474,746; and Mr. Parker, \$1,035,896. If performance goals are not attained at threshold, all performance stock units will be forfeited. On November 15, 2018, Mr. Mead's time-based stock units and performance stock units were cancelled in connection with his resignation from the Company. See Note 13 of the consolidated financial statements of the Company's 2018 Annual Report on Form 10-K regarding the assumptions underlying the valuation of equity awards.

(3) Represents the NEO's award attributable to financial goals under the PIIP program for the fiscal year identified in column (b) payable in cash in February of the following year.

(4)

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All amounts are attributable to the aggregate change in the actuarial present value of the NEO's accumulated benefit under all defined benefit and actuarial pension plans.

- (5) Represents amounts contributed by A&B to the NEO's account under the A&B Individual Deferred Compensation and Profit Sharing Plan and Alexander & Baldwin, Inc. Excess Benefits Plan.
- (6) The change in pension value was a decrease of \$255.
- (7) Ms. Laing was hired on 10/10/18 with a base salary of \$50,000 per month and no other short or long-term incentives.
- (8) The change in pension value was a decrease of \$117,273.
- (9) The change in pension value was a decrease of \$49,477.
- (10) Mr. Mead was paid \$360,500 under a retention agreement.

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CEO to Median Employee Pay Ratio Information

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing information about the relationship of the annual total compensation of our employees and the annual total compensation of our CEO. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

In determining the summary compensation table amount of pay for our CEO and the median employee, management employed the same methodology used for NEOs as set forth in the 2018 Summary Compensation Table. The Company's contribution to employee health plans was also included. As illustrated below, using the Total Pay amounts, A&B's 2018 CEO to median employee pay ratio is 45:1.

CEO to Median Pay Ratio

CEO	\$ 3,479,433	\$ 16,479	\$ 3,495,912
Median Employee	\$ 68,843	\$ 8,510	\$ 77,353

As allowed under applicable rules, we used the same median employee that was identified in the 2018 proxy statement using the following steps:

1. We selected November 17, 2017, which is within the last three months of our fiscal year end (December 31, 2017), as the date upon which we would identify the "median employee" because it enabled us to make such identification in a reasonably efficient manner. We determined that, as of November 17, 2017, our employee population consisted of approximately 856 individuals, with all of these individuals located in the United States. This population consisted of our full-time, part-time, and temporary employees.
2. To identify the "median employee", we utilized the amount of base salary of our employees received, as reflected in our payroll records through November 17, 2017. When determining the "median employee," we then approximated full-year values of base salary for all employees.
3. We identified our median employee using this compensation measure, which was consistently applied to all our employees included in the calculation. Since our employees are located in the United States, as is our CEO, we did not make any cost-of-living adjustments in identifying the "median employee."
4. Once we identified our median employee in 2017, we combined all of the elements of such employee's compensation for 2018 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$68,843.
- 5.

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With respect to the annual total compensation of our CEO, we used the amount reported in the "Total" column (column (j)) of our 2018 Summary Compensation Table included in this Proxy Statement.

The pay ratio is a reasonable estimate calculated based on rules and guidance provided by the SEC. The SEC rules allow for varying methodologies for companies to identify their median employee; and other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios. Consequently, the pay ratios reported by other companies are unlikely to be relevant or meaningful for purposes of comparison to our pay ratio as reported here.

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EXECUTIVE COMPENSATION

*Grants of Plan-Based Awards.* The following table contains information concerning the non-equity and equity grants under A&B's incentive plans during 2018 to the NEOs.

2018 Grants of Plan-Based Awards

her min	1/29/18	241,368	482,735	965,470	11,380	32,514	65,028	32,514	N/A	N/A	2,
)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
n J.	1/29/18	53,501	107,002	214,004	1,738	4,967	9,934	4,967	N/A	N/A	
.	1/29/18	63,447	126,894	253,788	1,738	4,967	9,934	4,967	N/A	N/A	
	1/29/18	108,150	216,300	432,600	3,793	10,838	21,676	10,838	N/A	N/A	
)	1/29/18	62,187	124,373	248,745	5,058	14,450	28,900	N/A	N/A	N/A	

(1) Amounts reflected in this section relate to estimated payouts under the non-equity incentive portion of the PIIP. The value of the actual payouts is included in column (g) of the Summary Compensation Table.

(2)

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Amounts in this section reflect performance share unit grants. Performance share units awarded in 2018 vest in January 2021 if performance goals are attained during the performance period.

- (3) Amounts in this section reflect time-based restricted stock unit grants awarded.
- (4) No options were granted in 2018.
- (5) Represents the grant-date fair value of the equity awards granted in 2018. See Note 13 of the consolidated financial statements of the Company's 2018 Annual Report on Form 10-K regarding the assumptions underlying the valuation of equity awards.
- (6) Ms. Laing was hired on 10/10/18 as Interim Executive Vice President and CFO with a base salary of \$50,000 per month, with no equity or non-equity-based incentives.
- (7) Mr. Mead resigned as Chief Financial Officer effective 11/15/18; accordingly, his awards under the PIIP were forfeited.

The PIIP is based on financial, operating, and value creation goals, depending on the executive's job responsibilities and individual performance. Performance measures, weighting of goals and target opportunities are discussed in the CD&A section of this Proxy Statement. Information on equity grants is provided in the CD&A section of this Proxy Statement.

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*Outstanding Equity Awards at Fiscal Year-End.* The following table contains information concerning the outstanding equity awards held by the NEOs.

2018 Outstanding Equity Awards at Fiscal Year-End

Christopher									
Benjamin	74,184		10.66	1/26/2020	56,608(1)	1,040,455	80,362(5)	1,477,0	
	52,690		13.11	1/25/2021					
	50,677		14.92	1/24/2022					
Anna M.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ang									
Edith J.	29,929		10.66	1/26/2020	10,841(2)	199,258	17,354(6)	318,9	
Ang	23,466		13.11	1/25/2021					

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	17,539	14.92	1/24/2022				
son							
Chun	14,252	10.66	1/26/2020	10,841(2)	199,258	17,354(6)	318,9
	31,291	13.11	1/25/2021				
	23,389	14.92	1/24/2022				
ce K.							
ter	1,740	13.11	1/25/2021	16,412(3)	301,653	21,798(7)	400,0
es E.							
d							

- (1) Vesting date of unrestricted stock 7,806 shares on 1/25/19; and 8,144 shares each on 1/24/19 and 1/24/20; 10,838 shares each on 1/29/19, 1/29/20, and 1/29/21.
- (2) Vesting date of unrestricted stock 2,385 shares on 1/25/19; 1,744 shares on 1/24/19 and 1,745 shares on 1/24/20; 1,655 shares on 1/29/19 and 1,656 shares each on 1/29/20 and 1/29/21.
- (3) Vesting date of unrestricted stock 1,735 shares on 1/25/19; 1,919 shares on 1/24/19 and 1,920 shares on 1/24/20; 3,612 shares on 1/29/19 and 3,613 shares each on 1/29/20 and 1/29/21.
- (4) Market value of stock not vested based on the closing stock price at year-end of \$18.38.
- (5) Vesting date of PSUs 23,416 on 1/25/19 (none of these PSUs vested); 24,432 on 1/24/20; and 32,514 on 1/29/21.
- (6) Vesting date of PSUs 7,154 on 1/25/19 (none of these PSUs vested); 5,233 on 1/24/20; and 4,967 on 1/29/21.
- (7) Vesting date of PSUs 5,202 on 1/25/19 (none of these PSUs vested); 5,758 on 1/24/20; and 10,838 on 1/29/21.





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*Option Exercises and Stock Vested.* The following table contains information concerning option exercises and the vesting of stock awards for the NEOs during 2018.

## Option Exercises and Stock Vested for 2018

Christopher J. Benjamin	12,768	137,767	21,379	607,751
Diana M. Laing	N/A	N/A	N/A	N/A
Meredith J. Ching	24,723	329,558	7,144	201,814
Nelson N. S. Chun			7,144	201,814
Lance K. Parker			4,618	131,488
James E. Mead	N/A	N/A	5,164	129,771

The value realized in column (e) was calculated based on the market value of A&B common stock on the vesting date. No amounts realized upon exercise of options or vesting of stock have been deferred.

*Pension Benefits.* The following table contains information concerning pension benefits for the NEOs at the end of 2018.

## Pension Benefits for 2018

Christopher J. Benjamin	A&B Retirement Plan for Salaried Employees	17.4	533,419
	A&B Excess Benefits Plan	17.4	1,298,637
Diana M. Laing	A&B Retirement Plan for Salaried Employees	0	
	A&B Excess Benefits Plan	0	
Meredith J. Ching	A&B Retirement Plan for Salaried Employees	36.6	1,690,577

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	A&B Excess Benefits Plan	36.6	597,227
Nelson N. S. Chun	A&B Retirement Plan for Salaried Employees	15.2	510,467
	A&B Excess Benefits Plan	15.2	592,124
Lance K. Parker	A&B Retirement Plan for Salaried Employees	14.3	231,324
	A&B Excess Benefits Plan	14.3	47,751
James E. Mead	A&B Retirement Plan for Salaried Employees	0	
	A&B Excess Benefits Plan	0	

- (1) Credited service used to calculate the traditional defined benefit was frozen as of December 31, 2011; years shown are based on all years under the plan.

Actuarial assumptions used to determine the present values of the pension benefits include: Discount rates for qualified and non-qualified retirement plans of 4.36% and 3.78%, respectively. Age 62 with 5 years of service (or current age, if greater) is the

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assumed retirement age. Qualified plan benefits (traditional defined benefit and cash balance) are assumed to be paid on a life annuity basis (however, cash balance portion could be paid in a lump sum). The cash balance accounts are projected to the assumed retirement age using 3.01% interest per year (the rate in effect for 2019) with no future pay credits. The projected qualified plan cash balance accounts were converted to life annuities at the assumed retirement age using the annuity conversion interest assumptions and mortality used in our financial disclosures, i.e., 3.21% (for the first 5 years), 4.26% (next 15 years) and 4.55% (years in excess of 20) applied on a rolling basis, and the Applicable Mortality Table, as defined for lump sum calculations under Section 417(e) of the Internal Revenue Code.

The Excess Benefits Plan benefits are paid as a lump sum equal to the present value of the traditional defined benefit assumed to be paid on a life annuity basis plus the cash balance account. The present value was determined based on interest rates (with 39% marginal tax rate adjustment) and mortality used in our financial disclosures, i.e., 1.96% (for the first 5 years), 2.6% (next 15 years) and 2.78% (years in excess of 20) applied on a rolling basis, and the Applicable Mortality Table, as defined for lump sum calculations under Section 417(e) of the Internal Revenue Code. The cash balance accounts are projected to the assumed retirement age using 3.01% interest per year (the rate in effect for 2019) with no future pay credits.

*A&B Retirement Plan for Salaried Employees:*

The A&B Retirement Plan for Salaried Employees (the "Qualified Retirement Plan") provides pension benefits to the Company's salaried employees who are not subject to collective bargaining agreements. In 2007, A&B Predecessor closed participation in its traditional defined pension plan and established a cash balance plan for new non-bargaining unit employees hired after January 1, 2008. A&B Predecessor subsequently froze the traditional plan on January 1, 2012, transitioning all employees to the cash balance plan and lowering the vesting period from five years to three years.

The traditional defined benefit formula was based on participants' service and average monthly compensation in the five highest consecutive years of their final 10 years of service. For participants in the plan who remained employed after its freezing, this measurement period goes only through December 31, 2011. Compensation included base salary, overtime pay and one-year bonuses. The amounts were expressed as a single life annuity payable at the normal retirement age of 65. An employee became vested after five years of service with A&B Predecessor or the Company. An employee may take early retirement at age 55 or older, if the employee has already completed at least five years of service with A&B Predecessor or the Company. If an employee retires early, the same formula for normal retirement is used, although the benefit will be reduced for commencement before age 62 because the employee will receive payment early and over a longer period of time.

The replacement cash balance formula provides a retirement account equal to 5 percent of an employee's eligible cash compensation, for each year worked, while covered by the cash balance formula, plus interest. At retirement or other separation from service, the employee may elect to receive the vested cash balance portion of the Qualified Retirement Plan benefits as a lump sum or an actuarially equivalent annuity.

*A&B Excess Benefits Plan:* The A&B Excess Benefits Plan is discussed in the CD&A section of this Proxy Statement. Under the pension portion of the Excess Benefits Plan associated with the Qualified Retirement Plan, benefits under the traditional defined benefit formula are payable after the executive's separation from service in a lump sum that is actuarially equivalent to the annuity form of payment, and the cash balance account is paid as a lump sum. Under the profit sharing portion of the Excess Benefits Plan associated with the A&B Profit Sharing Retirement Plan, amounts are credited to executives' accounts, to be payable after the executive's separation from service. All NEOs are eligible to participate in the Excess Benefits Plan.

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*Non-Qualified Deferred Compensation.* The following table contains information concerning non-qualified deferred compensation for the NEOs.

## 2018 Non-Qualified Deferred Compensation

Christopher J. Benjamin	978	25,433
Diana M. Laing		
Meredith J. Ching		
Nelson N. S. Chun	418	10,878
Lance K. Parker		
James E. Mead		

- (1) Represents the profit sharing benefit under the Excess Benefits Plan.
- (2) Represents interest earned on the prior year's cash account balance.

## Other Potential Post-Employment Payments.

*Change in Control Agreements:* A&B has entered into Change in Control Agreements with each of the NEOs other than Ms. Laing, which are intended to encourage their continued employment with A&B by providing them with greater security in the event of termination of their employment following a change in control of A&B. The Company has adopted a participation policy that extends these agreements to those senior level executives whose employment would be most likely at risk upon a change in control. Each Change in Control Agreement has an initial one-year term and is automatically extended at the end of each term for a successive one-year period, unless terminated by A&B. The Change in Control Agreements provide for certain severance benefits if the executive's employment is terminated by A&B without "cause" or by the executive for "good reason," in each case as defined in the agreement, following a "Change in Control Event" of A&B, as defined by Internal Revenue Code Section 409A, as follows: Upon a termination of employment under the above circumstances, the executive will be entitled to receive (i) a lump-sum severance payment equal to two times the sum of the executive's base salary and target bonus, (ii) pro rata payment at target with respect to outstanding contingent awards for uncompleted performance periods, (iii) a lump sum payment of amounts due the executive under deferred compensation plans, and (iv) an amount equal to the positive spread between the exercise price of outstanding options held by the executive and the fair market value of the underlying shares at the time of termination. In addition, A&B will maintain all (or provide similar) health and welfare benefit plans for the executive's continued benefit for a period of two years after termination. A&B will also reimburse executives for individual outplacement counseling services up to \$10,000. These are "double trigger" agreements under which no payments are made and long-term incentives do not accelerate unless both a change in control and a qualifying termination of employment

occurs.

In the event that any amount payable to the executive is deemed under the Internal Revenue Code to be made in connection with a change in control of the Company, and such payments would result in the excise tax imposed on "excess parachute payments" under the Internal Revenue Code, the Change in Control Agreements provide that the executive's payments will be reduced to an amount that would not result in the imposition of the excise tax, to the extent that such reduction would result in a greater after-tax benefit to the executive. No tax gross-up payments are provided by the Change in Control Agreements.

If there is a potential change in control of the Company, the executive agrees to remain in the employ of the Company until the earliest of (1) a date six months after the occurrence of the potential change in control, (2) the termination of the executive's employment by reason of disability or retirement, or (3) the occurrence of a change in control of the Company.

*Executive Severance Plan:* The Company also maintains the Executive Severance Plan ("Severance Plan") that covers the NEOs. The Severance Plan continues from year to year, subject to a periodic review by the Board of Directors. The Severance Plan provides certain severance benefits if a designated executive is involuntarily terminated without "cause," as defined in the

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EXECUTIVE COMPENSATION

Severance Plan, or laid off from employment as part of a job elimination/restructuring or reduction in force. Upon such termination of employment, the executive will be entitled to receive an amount equal to six months' base salary, payable in equal installments over a period of one year, and continued payment by the Company of life and disability insurance premiums and COBRA premiums for continued group health plan coverage. If the executive executes a release agreement acceptable to the Company, the executive will be entitled to receive additional benefits, including an additional six months of base salary and designated benefits, reimbursement for outplacement counseling services and a prorated share of incentive plan awards at target levels under the PIIP that would have been payable to the executive had he or she remained employed until the end of the applicable performance period.

*Voluntary Resignation:* If the executive voluntarily resigns from the Company, no amounts are payable under the Severance Plan or the PIIP. The executive may be entitled to receive retirement and retiree health and welfare benefits to the extent those benefits have been earned or vested under the provisions of the plans. The executive may have up to three to six months after termination to exercise vested stock options at the time of termination. In addition, the executive would be entitled to any amounts voluntarily deferred (and the earnings accrued) under the A&B Profit Sharing Retirement Plan.

Other benefits, as described in the CD&A section of this Proxy Statement, may include accrued, vested benefits under the Qualified Retirement Plan and the Excess Benefits Plan.

The following tables show the potential value to each executive other than Mr. Mead and Ms. Laing under various termination-related scenarios, assuming that the termination of employment or other circumstances resulting in payment occurred on December 31, 2018. Ms. Laing is not eligible for the Severance Plan or retirement benefits, was not granted any cash or equity incentive awards and does not have a change in control agreement. In connection with his transition from his position as Executive Vice President and Chief Financial Officer as of November 15, 2018 (the "Resignation Date"), Mr. Mead received a payment of \$360,500 (subject to applicable withholding), equivalent to his target bonus under the PIIP based on his continued employment through the Resignation Date. This amount is shown in the Summary Compensation Table of this Proxy Statement.



## EXECUTIVE COMPENSATION

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## Executive Termination Scenarios

Cash Severance	\$ 2,814,000	\$ 670,000						
Retirement Benefits(4)	\$ 60,286	\$ 14,577	\$ 14,577	\$ 14,577	\$ 14,577	\$ 14,577	\$ 14,577	\$ 14,577
	\$ 2,174(5)	\$ 2,174(5)	\$ 2,174(5)	\$ 2,174(5)	\$ 2,174(5)	(\$ 106,291)(5)(6)	\$ 2,174(5)	\$ 2,174(5)
Health & Welfare Benefits	\$ 44,208	\$ 18,698						
Outplacement Counseling	\$ 10,000	\$ 10,000						
Long-Term Incentives(7)	\$ 2,087,123				\$ 1,539,031	\$ 1,539,031	\$ 1,539,031	\$ 1,539,031
Total (Lump-sum)	\$ 5,015,617	\$ 713,275	\$ 14,577	\$ 14,577	\$ 1,553,608	\$ 1,539,031	\$ 1,553,608	\$ 1,553,608
Total (Annuity)	\$ 2,174	\$ 2,174	\$ 2,174	\$ 2,174	(\$ 106,291)(6)		\$ 2,174	\$ 2,174

Cash Severance	\$ 920,768	\$ 297,022						
Retirement Benefits(4)	\$ 23,578					(\$ 993,255)(5)(6)		
Health & Welfare Benefits	\$ 34,190	\$ 15,685						
Outplacement Counseling	\$ 10,000	\$ 10,000						
Long-Term Incentives(7)	\$ 386,734				\$ 293,810	\$ 293,810	\$ 293,810	\$ 293,810
Total (Lump-sum)	\$ 1,375,270	\$ 322,707	\$ 0	\$ 0	\$ 293,810	\$ 293,810	\$ 293,810	\$ 293,810
Total (Annuity)					(\$ 993,255)(6)			

Cash Severance	\$ 1,091,938	\$ 352,238						
Retirement Benefits(4)	\$ 21,859							
								(\$ 185,031)(5)(6)
Health & Welfare Benefits	\$ 37,416	\$ 16,789						
Outplacement Counseling	\$ 10,000	\$ 10,000						
Long-Term Incentives(7)	\$ 386,734				\$ 293,810	\$ 293,810	\$ 293,810	
Total (Lump-sum)	\$ 1,547,946	\$ 379,027	\$ 0	\$ 0	\$ 293,810	\$ 293,810	\$ 293,810	
Total (Annuity)								(\$ 185,031)(6)

Cash Severance	\$ 987,683	\$ 386,250							
Retirement Benefits(4)	\$ 56,172	\$ 6,378	\$ 6,378	\$ 6,378	\$ 6,378	\$ 6,378			Not yet eligible
	(\$ 29,472)(5)(6)	(\$ 29,472)(5)(6)	(\$ 29,472)(5)(6)	(\$ 29,472)(5)(6)	(\$ 29,472)(5)(6)	(\$ 90,199)(5)(6)			Not yet eligible
Health & Welfare Benefits	\$ 46,383	\$ 21,539							
Outplacement Counseling	\$ 10,000	\$ 10,000							
Long-Term Incentives(7)	\$ 606,687					\$ 438,608	\$ 438,608	\$ 438,608	
Total (Lump-sum)	\$ 1,706,925	\$ 424,167	\$ 6,378	\$ 6,378	\$ 444,986	\$ 438,608	\$ 438,608	\$ 438,608	Not yet eligible
Total (Annuity)	(\$ 29,472)(6)	(\$ 29,472)(6)	(\$ 29,472)(6)	(\$ 29,472)(6)	(\$ 90,199)(6)				Not yet eligible

(1) Assumes execution of an acceptable release agreement as provided by the Executive Severance Plan.

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EXECUTIVE COMPENSATION

- (2) If an NEO is disabled, the executive will continue to accrue credited vesting service as long as he/she is continuously receiving disability benefits under A&B's sickness benefits plan or long-term disability benefit plan. Should the NEO stop receiving disability benefits, the accrual of credited vesting service will cease. Upon the later of attainment of age 65 or the date at which the executive is no longer eligible for disability benefits, the NEO will be entitled to receive a pension benefit based on years of credited benefit service and compensation prior to becoming disabled.
- (3) Normal retirement is at age 65. An executive with 5 years of service may retire at age 62 with unreduced traditional defined benefit pension benefits under the Qualified Retirement Plans. Employees may elect early retirement after attaining age 55 and completing 5 years of service.
- (4) Retirement Benefits figures are incremental to the values shown in the Pension Benefits Table, which uses a different set of assumptions as described in the related narrative.
- (5) Represents the present value of amount paid as an annuity.
- (6) The Retirement Benefits figures are incremental to the values shown in the Pension Benefits Table. Under certain termination scenarios, benefits reflected in the Pension Benefits Table under the various retirement plans are forfeited or reduced resulting in a negative value.
- (7) Includes the gain on accelerated stock options and the value of accelerated restricted stock and performance share units. The value of stock awards was determined based on the closing price of A&B common stock on December 28, 2018 of \$18.38.
- (8) Mr. Chun and Ms. Ching are 62 or older and are eligible for unreduced retirement benefits per the Company's retirement plan. Therefore, their benefits upon termination are the same as those shown in the pension benefits table (figures shown in the executive termination table are incremental to those in the pension benefits table). Mr. Chun's and Ms. Ching's qualified pension death benefits are different upon death since the death benefits are payable to their spouses assuming Joint & Survivor 50% form of payment is elected (non-qualified death

benefits are the same as retirement since they are payable as lump sums, as if they retires as of 1/1/2019). The non-qualified Change in Control ("CIC") benefits are different as they are calculated based on lump sum assumptions as of the assumed CIC date (as of 12/31/2018).

All amounts shown are lump-sum payments, unless otherwise noted. Assumptions used in the tables above are set forth in the Pension Benefits section.

The Excess Benefits Plan benefits are paid, upon termination, as a lump sum equal to the present value of the traditional defined benefit assumed to be paid on a life annuity basis plus the cash balance account. The lump sum conversion was based on interest rates (with 39% marginal tax rate adjustment) and mortality used in our financial disclosures and included in the Pension Benefits section.

#### **Use of Non-GAAP Financial Measures**

Cash Net Operating Income ("Cash NOI") is calculated as total Commercial Real Estate operating revenues less direct property-related operating expenses. Cash NOI excludes straight-line lease adjustments, amortization of favorable/unfavorable leases, amortization of lease incentives, selling, general and administrative expenses, impairment of commercial real estate assets, lease termination income, and depreciation and amortization (including amortization of maintenance capital, tenant improvements and leasing commissions).

The Company's methods of calculating non-GAAP measures may differ from methods employed by other companies and thus may not be comparable to such other companies.

Cash NOI is a non-GAAP measure used by the Company in evaluating the CRE segment's operating performance as it is an indicator of the return on property investment and provides a method of comparing performance of operations, on an unlevered basis, over time. Cash NOI should be not be viewed as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

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A reconciliation of Commercial Real Estate operating profit to Commercial Real Estate Cash NOI and Same-Store Cash NOI follows:

Commercial Real Estate segment operating profit	<b>\$ 58.5</b>	\$ 34.4
Adjustments:		
Depreciation and amortization	<b>28.0</b>	26.0
Straight-line lease adjustments	<b>(4.0)</b>	(1.6)
Favorable/(unfavorable) lease amortization	<b>(1.9)</b>	(2.9)
Termination income	<b>(1.1)</b>	(1.7)
Other (income)/expense, net	<b>0.3</b>	0.3
Impairment of real estate assets		22.4
Selling, general, administrative and other expenses	<b>6.9</b>	7.9
Commercial Real Estate segment Cash NOI	<b>86.7</b>	84.8
Acquisitions / dispositions and other adjustments	<b>(12.5)</b>	(13.2)
Same-Store Cash NOI	<b>\$ 74.2</b>	\$ 71.6

The Company presents the non-GAAP measure of Materials & Construction EBITDA Attributable to A&B, which contain the results of Grace Pacific. The Company uses this non-GAAP financial measure when evaluating operating performance for the Materials & Construction segment because management believes that Materials & Construction EBITDA Attributable to A&B provides insight into the segment's operating results attributable to A&B, future cash flow generation attributable to A&B, and the underlying trends affecting the underlying business. The Company provides this information as an additional means of evaluating the segment's ongoing core operations. The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company believes that Materials & Construction operating profit is the most directly comparable GAAP measurement to the Materials & Construction EBITDA Attributable to A&B. A reconciliation of segment operating profit to Materials & Construction EBITDA Attributable to A&B follows:

Materials & Construction Operating Profit	<b>\$</b>	<b>(73.2)</b>
Depreciation & amortization expense		<b>12.1</b>
Income attributable to non-controlling interest		<b>(2.2)</b>

Materials & Construction EBITDA Attributable to A&B                      \$                      **(63.3)**

The Company presents the non-GAAP measure of M&C Adjusted EBITDA, which contain the results of Grace Pacific. The Company uses this non-GAAP financial measure when evaluating operating performance for the Materials & Construction segment because management believes that M&C Adjusted EBITDA provides insight into the segment's core operating results, future cash flow generation, and the underlying business trends affecting performance on a consistent and comparable basis from period to period. The Company provides this information as an additional means of evaluating the segment's ongoing core operations. The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company believes that Materials & Construction

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## EXECUTIVE COMPENSATION

operating profit is the most directly comparable GAAP measurement to the M&C Adjusted EBITDA. A reconciliation of segment operating profit to M&C Adjusted EBITDA follows:

Materials & Construction Operating Profit	\$ (73.2)	\$ 22.0
Depreciation & amortization expense	12.1	12.2
Impairment of assets	77.8	
Income attributable to non-controlling interest	(2.2)	(2.2)
<b>M&amp;C Adjusted EBITDA</b>	<b>\$ 14.5</b>	<b>\$ 32.0</b>

Consolidated Adjusted Pre-tax Income (Loss) was an operating performance measure for the Company for the year ended December 31, 2018, as management believes that the measure provided insight into the operating results of the Company's core businesses and the underlying business trends affecting performance on a consistent and comparable basis from period to period. The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company believes that Income (Loss) From Continuing Operations Before Income Taxes is the most directly comparable GAAP measurement to Consolidated Adjusted Pre-tax Income (Loss). A reconciliation of Income (Loss) From Continuing Operations Before Income Taxes to Consolidated Adjusted Pre-tax Income (Loss) follows:

Income (Loss) From Continuing Operations Before Income Taxes	\$ (52.9)
Adjustments:	
Non-cash amortization of actuarial pension expense	3.4
Non-cash reduction in solar investment	0.5
<b>Consolidated Adjusted Pre-tax Income (Loss)</b>	<b>\$ (49.0)</b>





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## PROPOSAL NO. 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

Shareholders are being asked to vote to approve, on a non-binding, advisory basis, the compensation of our NEOs.

A&B's compensation philosophy is to drive the Company's performance and further shareholder interests through a compensation program that attracts, motivates and retains outstanding executives, and rewards outstanding performance. The CD&A section of this Proxy Statement discusses our policies and procedures that implement our compensation philosophy. Highlights of our compensation program include the following:

Executive compensation is closely aligned with performance. In 2018, 79 percent of the CEO's target total direct compensation is variable and performance-based, and between 57 and 69 percent of the other NEOs' (excluding the Interim CFO) target total direct compensation was variable and performance-based. The ratio of variable compensation is consistent with market practices.

The Company remains committed to responsible pay practices and has adopted policies that are representative of best practices, including a clawback policy that applies to all senior management and a policy prohibiting hedging and other speculative transactions involving Company stock. The Compensation Committee is focused on continuous improvement in executive compensation practices and policies to ensure alignment between pay and performance, as well as implementation of best practices. This includes, but is not limited to, such practices as adopting a 50<sup>th</sup> percentile target compensation philosophy, using multiple performance metrics and multi-year equity vesting, double triggers on equity grants in the event of a change in control, reasonable change-in-control agreements, protocols for an annual pay risk assessment, meaningful stock ownership guidelines, and no employment agreements, guaranteed bonuses, change-in-control gross-ups or stock option repricing. In 2018, the average total direct compensation for NEOs (excluding the Interim CFO) was at approximately the 50<sup>th</sup> percentile of market.

As described previously in this Proxy Statement, the Company's core CRE segment performed very well in 2018. Additionally, significant strategic actions were accomplished, including the bulk sale of 41,000 acres of Maui agricultural land. The executive compensation program reflected slightly above-target performance by the Company in 2018, ranging between 100% and 108.6% of target for the NEOs. A profit sharing contribution of 3.62% was earned.

The actual performance level attained for the 2016 PSU grants covering the performance period of 2016-2018 was at approximately the 23.3 percentile on a blended basis relative to the Standard & Poor's Midcap 400 and Russell 2000 indices, which resulted in no earnout of the performance shares awarded with a three-year performance horizon.

The following resolution is being submitted for a shareholder advisory vote at the Annual Meeting:

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"RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2019 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2018 Summary Compensation Table and the other related tables and disclosure."

Although the advisory vote is non-binding, the Compensation Committee and the Board will review the results of the vote and consider them in future determinations concerning our executive compensation program.

The Board of Directors recommends that shareholders vote FOR the approval of the resolution relating to executive compensation.

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## PROPOSAL NO. 3: ADVISORY VOTE ON FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

Shareholders are being asked to vote on the frequency they prefer for future advisory votes on executive compensation. Shareholders may choose from the following four options: whether they want an advisory vote on executive compensation every one, two or three years, or to abstain from voting on the matter.

Our Board of Directors has determined that an annual advisory vote on executive compensation will allow our shareholders to provide timely, direct input on the Company's executive compensation philosophy, policies and practices as disclosed in the proxy statement each year. The Board believes that an annual vote is consistent with the Company's efforts to engage in an ongoing dialogue with shareholders on executive compensation and corporate governance matters.

Although the advisory vote is non-binding, the Compensation Committee and the Board will review the results of the vote and consider them in future determinations concerning the frequency of advisory votes on our executive compensation.

The Board of Directors recommends that shareholders vote for an annual vote as the preferred frequency for advisory votes on executive compensation. Please note that your vote as a shareholder on this item is not a vote to approve or disapprove the Board's recommendation.

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## AUDIT COMMITTEE REPORT

The Audit Committee provides assistance to the Board of Directors in fulfilling its obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of A&B, including the review and approval of all related person transactions required to be disclosed in this Proxy Statement. Among other things, the Audit Committee reviews and discusses with management and Deloitte & Touche LLP, A&B's independent registered public accounting firm, the results of the year-end audit of A&B, including the auditors' report and audited financial statements. In this context, the Audit Committee has reviewed and discussed A&B's audited financial statements with management, has discussed with Deloitte & Touche LLP the matters required to be discussed by applicable Public Company Accounting Oversight Board rules and, with and without management present, has discussed and reviewed the results of the independent registered public accounting firm's audit of the financial statements.

The Audit Committee has received the written communication regarding independence from Deloitte & Touche LLP required under the rules of the Public Company Accounting Oversight Board, and has discussed with Deloitte & Touche LLP its independence from A&B. The Audit Committee has determined that the provision of non-audit services rendered by Deloitte & Touche LLP to A&B is compatible with maintaining the independence of Deloitte & Touche LLP from A&B in the conduct of its auditing function.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that A&B's audited consolidated financial statements be included in A&B's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the SEC. The Audit Committee also has appointed, subject to shareholder ratification, Deloitte & Touche LLP as A&B's independent registered public accounting firm for 2019.

The foregoing report is submitted by Mr. Pasquale (Chairman), Mr. Doane and Mr. Yeaman.

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## PROPOSAL NO. 4: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed Deloitte & Touche LLP as the independent registered public accounting firm of A&B for the ensuing year, and the Audit Committee recommends that shareholders vote in favor of ratifying such appointment. Although ratification of this appointment is not required by law, the Board believes that it is desirable as a matter of corporate governance. If shareholders do not ratify the appointment of Deloitte & Touche LLP, it will be considered as a recommendation to the Board and the Audit Committee to consider the retention of a different firm. Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting, where they will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from shareholders.

In compliance with the Sarbanes Oxley Act of 2002 and applicable SEC rules, the Audit Committee has adopted policies and procedures for Audit Committee approval of audit and non-audit services. Under such policies and procedures, the Audit Committee pre-approves or has delegated to the Chairman of the Audit Committee authority to pre-approve all audit and non-prohibited, non-audit services performed by the independent registered public accounting firm in order to assure that such services do not impair the auditor's independence. Any additional proposed services or costs exceeding pre-approved cost levels require additional pre-approval as described above. The Audit Committee may delegate pre-approval authority to one or more of its members for services not to exceed a specific dollar amount per engagement. Requests for pre-approval include a description of the services to be performed, the fees to be charged and the expected dates that the services will be performed. All services provided by Deloitte & Touche LLP during 2018 were pre-approved in accordance with these policies.

For the years ended December 31, 2018 and 2017, professional services were performed by Deloitte & Touche LLP (including affiliates) for A&B as follows:

*Audit Fees.* The aggregate fees billed for the audit of the Company's annual consolidated financial statements, including Sarbanes-Oxley Section 404 attestation-related work, for the fiscal years ended December 31, 2018 and 2017, the reviews of the interim financial statements included in the Company's Quarterly Reports on Form 10-Q and consents for SEC registration statements were approximately \$2,335,000 and \$1,803,000, respectively.

*Audit-Related Fees.* The aggregate fees billed for Audit-Related services for the fiscal years ended December 31, 2018 and 2017 were approximately \$0 and \$1,105,000, respectively. The 2017 fees are related primarily to consultation on financial accounting and reporting standards including those related to a potential REIT conversion and audit procedures for the Company's standalone subsidiaries and other SEC filings.

*Tax Fees.* The aggregate fees billed for professional tax services for fiscal years ended December 31, 2018 and 2017 were approximately \$16,000 each in both years, and were related primarily to tax compliance services in 2018 and 2017.

*All Other Fees.* The aggregate fees billed for other services for fiscal years ended December 31, 2018 and 2017 were approximately \$27,000 and \$0, respectively, and were related primarily to certain advisory services in 2018.

## SHAREHOLDERS WITH THE SAME ADDRESS

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Individual shareholders sharing an address with one or more other shareholders may elect to "household" the mailing of the Notice of Internet Availability of Proxy Materials or our annual report and proxy statement. This means that only one Notice of Internet Availability of Proxy Materials or our annual report and proxy statement will be sent to that address unless one or more shareholders at that address specifically elect to receive separate mailings. Shareholders who participate in householding will continue to receive separate proxy cards. We will promptly send a separate Notice of Internet Availability of Proxy Materials or our annual report and proxy statement to a shareholder at a shared address on request. Shareholders with a shared address may also request us to send separate Notices of Internet Availability of Proxy Materials or our annual reports and proxy statements in the future, or to send a single copy in the future if we are currently sending multiple copies to the same address.

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PROPOSAL NO. 4

Requests related to householding should be mailed to Alexander & Baldwin, Inc., P.O. Box 3440, Honolulu, HI 96801-3440, Attn: Alyson J. Nakamura, Corporate Secretary or by calling (808) 525-8450. If you are a shareholder whose shares are held by a bank, broker or other nominee, you can request information about householding from your bank, broker or other nominee.

## OTHER BUSINESS

The Board of Directors of A&B knows of no other business to be presented for shareholder action at the Annual Meeting. However, should matters other than those included in this Proxy Statement properly come before the Annual Meeting, the proxy holders named in the accompanying proxy will use their best judgment in voting upon them.

## SHAREHOLDER PROPOSALS FOR 2020

Proposals of shareholders intended to be presented pursuant to Rule 14a-8 under the Exchange Act at the 2020 Annual Meeting of A&B must be received at the headquarters of A&B on or before November 12, 2019 in order to be considered for inclusion in the year 2020 Proxy Statement and proxy.

In order for proposals of shareholders made outside of Rule 14a-8 under the Exchange Act to be considered "timely" within the meaning of Rule 14a-4(c) under the Exchange Act, such proposals must be received at the headquarters of A&B not later than December 28, 2019. A&B's Bylaws require that shareholder proposals made outside of Rule 14a-8 under the Exchange Act must be submitted, in accordance with the requirements of the Bylaws, not later than December 28, 2019 and not earlier than November 28, 2019.

The Company's Bylaws provide that no person (other than a person nominated by the Board) will be eligible to be elected a director at an annual meeting of shareholders unless the Corporate Secretary has received, not less than 120 days nor more than 150 days before the anniversary date of the prior annual meeting, a written shareholder's notice in proper form that the person's name be placed in nomination. If the annual meeting is not called for a date which is within 25 days of the anniversary date of the prior annual meeting, a shareholder's notice must be given not later than 10 days after the date on which notice of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first. To be in proper written form, a shareholder's notice must include information about each nominee and the shareholder making the nomination. The notice also 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.

By Order of the Board of Directors

ALYSON J. NAKAMURA  
Vice President and Corporate Secretary



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**IMPORTANT ANNUAL MEETING INFORMATION**

**Electronic Voting Instructions**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 11:00 PM, HST, on April 25, 2019.**

**Vote by Internet**

- Go to [www.envisionreports.com/ALEX](http://www.envisionreports.com/ALEX)
- Or scan the QR code with your smartphone

- Follow the steps outlined on the secure website

**Vote by telephone**

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

- Follow the instructions provided by the recorded message

## Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

**A** **Proposals** THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSALS 1, 2, 4, AND FOR ONE YEAR FOR PROPOSAL 3.

1. Election of Directors: 01 - Christopher J. Benjamin    02 - W. Allen Doane    03 - Robert S. Harrison    04 - David C. Hulihee  
**Nominees:**                    05 - Stanley M. Kuriyama    06 - Diana M. Laing    07 - Thomas A. Lewis, Jr.    08 - Douglas M. Pasquale  
    09 - Michele K. Saito                    10 - Eric K. Yeaman

**Mark here to vote FOR all nominees**     **Mark here to WITHHOLD vote from all nominees**     **For All EXCEPT** - To withhold authority to vote for any nominee(s), write the name(s) of such nominee(s) below.

	For	Against	Abstain		For	Against	Abstain
2. PROPOSAL TO APPROVE THE ADVISORY RESOLUTION RELATING TO EXECUTIVE COMPENSATION	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	4. PROPOSAL TO RATIFY THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE CORPORATION	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	1 Year	2 Years	3 Years	Abstain
3. ADVISORY VOTE ON THE FREQUENCY OF THE FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**NOTE:** Such other business as may properly come before the meeting or any adjournments thereof.

**THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR PROPOSALS 1, 2, AND 4, AND FOR 1 YEAR FOR PROPOSAL 3, AND IN THE DISCRETION OF THE PROXIES ON SUCH OTHER MATTERS AS PROPERLY MAY COME BEFORE THE MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF.**

**B Authorized Signatures** This section must be completed for your vote to be counted. Date and Sign Below

NOTE: Please sign as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

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**Important notice regarding the Internet availability of proxy materials for the Annual Meeting of shareholders.** The Proxy Statement and the 2018 Annual Report to Stockholders are available at: [www.envisionreports.com/ALEX](http://www.envisionreports.com/ALEX)

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

**Proxy ALEXANDER & BALDWIN, INC.**

**822 Bishop Street, Honolulu, Hawaii 96813**

**PROXY FOR ANNUAL MEETING OF SHAREHOLDERS, APRIL 26, 2019  
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

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The undersigned hereby appoints C.J. Benjamin, S.M. Kuriyama and D.M. Pasquale, and each of them, proxies with full power of substitution, to vote the shares of stock of Alexander & Baldwin, Inc., which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Corporation to be held on Friday, April 26, 2019, and at any adjournments or postponements thereof, on the matters set forth in the Notice of Meeting and Proxy Statement, as stated on the reverse side.

**THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR PROPOSALS 1, 2, AND 4, AND FOR 1 YEAR FOR PROPOSAL 3, AND IN THE DISCRETION OF THE PROXIES ON SUCH OTHER MATTERS AS PROPERLY MAY COME BEFORE THE MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF.**

**PLEASE SIGN, DATE AND RETURN THIS PROXY PROMPTLY IN THE ENCLOSED ENVELOPE.**

(continued and to be marked, dated and signed, on other side)

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