Alexander & Baldwin, Inc.
Form DEF 14A
April 02, 2013

Use these links to rapidly review the document
TABLE OF CONTENTS

Table of Contents

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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

Alexander & Baldwin, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

822 Bishop Street, Honolulu, Hawaii 96813

April 2, 2013

To the Shareholders of Alexander & Baldwin, Inc.:

You are invited to attend the 2013 Annual Meeting of Shareholders of Alexander & Baldwin, Inc., to be held at A&B headquarters, 822 Bishop Street, Honolulu, Hawaii, on Tuesday, April 30, 2013 at 8:30 a.m. This is our first Annual Meeting since our separation from Matson, Inc. last year, and we look forward to the opportunity to meet with you and discuss the Company's financial performance during 2012, and our future plans and expectations.

Whether or not you now plan to attend the Annual Meeting, please vote as soon as possible. You may vote via the Internet, by telephone or by signing, dating and mailing the accompanying proxy card. Specific instructions for shareholders are included in the enclosed proxy dated April 2, 2013.

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

Sincerely,

STANLEY M. KURIYAMA
Chairman of the Board and Chief Executive Officer

Table of Contents

822 Bishop Street, Honolulu, Hawaii 96813

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Alexander & Baldwin, Inc. will be held at A&B headquarters at 822 Bishop Street, Honolulu, Hawaii, on Tuesday, April 30, 2013, at 8:30 a.m., Honolulu time, to:

1. Elect three Class I directors for a three-year term expiring at the 2016 Annual Meeting of Shareholders;
2. Approve the Alexander & Baldwin, Inc. 2012 Incentive Compensation Plan;
3. Conduct an advisory vote on executive compensation;
4. Conduct an advisory vote on the frequency of future advisory votes on executive compensation;
5. Ratify the appointment of the independent registered public accounting firm for the ensuing year; and
6. Transact such other business as properly may be brought before the meeting or any adjournment or postponement thereof.

The Board of Directors has set the close of business on March 25, 2013 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 a 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.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. PLEASE PROMPTLY VOTE VIA THE INTERNET OR BY TELEPHONE, OR SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD BY MAIL.

By Order of the Board of Directors,

ALYSON J. NAKAMURA
Corporate Secretary

April 2, 2013

Table of Contents

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

Time and Date:	Tuesday, April 30, 2013, 8:30 a.m.
Place:	A&B Headquarters 822 Bishop Street Honolulu, Hawaii 96813
Record Date:	March 25, 2013
Voting:	Shareholders as of the record date are entitled to vote.
Admission:	Shareholders will be asked to present a 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

Agenda Item	Board Recommendation	Page Reference
Election of 3 Class I directors	FOR each director nominee	2
Approval of 2012 Incentive Compensation Plan	FOR	49
Advisory vote on executive compensation	FOR	66
Advisory vote on frequency of executive compensation votes	ANNUAL	67
Ratify appointment of Deloitte & Touche LLP as our independent registered public accounting firm	FOR	68

BOARD NOMINEES

The following table provides summary information about each director nominee. Each director nominee is elected for a three-year term.

Name	Director Since	Occupation	Experience/ Qualification	Committees
Robert S. Harrison	2012	President and CEO of First Hawaiian Bank	Leadership Finance	Audit
Michele K. Saito	2012	Chief Operating Officer Healthways Hawaii	Leadership Finance	Compensation
Eric K. Yeaman	2012	President and CEO of Hawaiian Telcom Holdco, Inc.	Leadership	Compensation

Finance

FINANCIAL HIGHLIGHTS

In 2012, the Company achieved adjusted net income of $32.3 million[(1)] ($20.5 million on a GAAP basis, which includes $6.8 million of expenses associated with separation from Matson and $9.8 million of non-cash impairments of two California development projects due to the Company's strategic decision upon Separation to focus primarily on Hawaii development projects). The adjusted net income represents a 31 percent year-over-year increase from $23.5 million of net income in 2011. Revenues in 2012 also were up to $296.7 million, compared to 2011 revenues of $267.7 million. At the same time, A&B focused on value creation and positioned itself for future success as the Hawaii economy and real estate markets, in particular Oahu's residential real estate market, improves.

---

(1) Refer to page 48 for a discussion of the Company's use of non-GAAP financial measures and a reconciliation of adjusted net income.

Table of Contents

Revenues

Adjusted Net Income

---

* 2011 and 2012 figures exclude results from Matson's operations

SEPARATION

On June 29, 2012, the Company successfully completed its separation from Matson, forming a new publicly-traded company focused primarily on real estate development, real estate leasing and agriculture (the "Separation"). The Separation was undertaken to allow the Company to independently execute its strategies to best enhance growth and value creation prospects. The Separation has resulted in a number of benefits, including enhanced management focus on the strategic, capital structure and operational issues of the real estate business and agribusiness, increased transparency, greater clarity for our investors and industry-specific analysts, improved ability to use the Company's stock as acquisition currency and enhanced ability to offer equity-based compensation incentives that reflect the specific business objectives, financial goals and performance of the real estate business and agribusiness. Since the December 1, 2011 public announcement of Separation to December 31, 2012, the combined share price appreciation of A&B and Matson was 42%, surpassing the S&P Mid Cap 400 Index (16%) and the S&P 500 Index (15%).

iii

Table of Contents

APPROVAL OF THE ALEXANDER & BALDWIN, INC. 2012 INCENTIVE COMPENSATION PLAN ("2012 PLAN")

Following the Separation, our Compensation Committee reviewed the compensation arrangements established by our predecessor company and adopted the 2012 Plan that was substantially similar to our predecessor's long-term incentive compensation plan, except that the Compensation Committee was able to make various adjustments to exclude the results of the Matson shipping business from the post-Separation real estate business and agribusiness results. Approval of the 2012 Plan by shareholders would allow future performance-based awards under the 2012 Plan to be deductible under Section 162(m) of the Internal Revenue Code.

EXECUTIVE COMPENSATION

All elements of executive compensation are generally targeted at the 50^{th} percentile of survey data of pay. The Company also firmly believes in pay for performance, to ensure alignment with the interests of the Company's shareholders and to drive the achievement of the Company's business objectives. Accordingly, the majority of executive compensation is tied to performance.

In 2012, the Company's CEO received 27 percent of his target compensation as salary. The remaining 73 percent was performance-based and at risk. For our other named executive officers, 59 percent of their target compensation was performance-based and at risk. Post-Separation, the Company has further adjusted its compensation programs to focus on pay for performance, as discussed beginning on page 30.

CEO Direct Compensation

Other NEO Direct Compensation

We encourage you to read our Compensation Discussion and Analysis (CD&A), which begins on page 20 and describes our pay for performance philosophy. Our Board of Directors recommends approval, on an advisory basis, of the compensation of our named executive officers, as further

Table of Contents

described in the CD&A and "Proposal No. 3: Advisory Vote on Executive Compensation" beginning on page 66.

FREQUENCY OF ADVISORY VOTE ON EXECUTIVE COMPENSATION

Shareholders are being asked to vote on the frequency they prefer for future advisory votes on executive compensation. Our Board of Directors 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, and recommends that shareholders vote for an annual vote as the preferred frequency for future advisory votes on executive compensation, as further described in "Proposal No. 4: Advisory Vote on Frequency of Future Advisory Votes on Executive Compensation" beginning on page 67.

TABLE OF CONTENTS

Table of Contents

822 Bishop Street, Honolulu, Hawaii 96813

PROXY STATEMENT

GENERAL INFORMATION

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 30, 2013 and at any adjournment or postponement of the meeting (the "Annual Meeting"). Shareholders may submit their proxies either by signing, dating and returning the enclosed proxy, or via the Internet or by telephone. A proxy may be revoked at any time prior to its exercise by a written revocation bearing a later date than the proxy and filed with the Secretary of A&B, by submission of a later-dated proxy or subsequent Internet or telephonic proxy, or by voting in person at the Annual Meeting. You may contact Stacy Mercado at (808) 525-6661 to obtain directions to the site of the Annual Meeting.

Only shareholders of record at the close of business on March 25, 2013 are entitled to notice of and to vote at the Annual Meeting. On that date, there were 43,098,055 shares of common stock outstanding, each of which is entitled to one vote. Provided a quorum is present, a majority of the votes cast will be necessary for the approval of the 2012 Plan; the approval, on an advisory basis, of our executive compensation; and the ratification of the appointment of the independent registered public accounting firm. Directors are elected by a plurality of votes cast, provided a quorum is present. 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. Abstentions and broker non-votes will be included for purposes of establishing a quorum at the Annual Meeting. 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.

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 Morrow & Co., Inc. to assist in the solicitation of proxies, at a cost of $10,000 plus reasonable out-of-pocket expenses.

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 proxy bearing a later date; or

Voting in person at the Annual Meeting.

This Proxy Statement and the enclosed proxy are being mailed to shareholders, and are being made available on the Internet at www.alexanderbaldwin.com, on or about April 2, 2013.

References in this Proxy Statement to "A&B Predecessor" means Alexander & Baldwin, Inc. prior to the holding company merger completed on June 6, 2012, and thereafter to Alexander & Baldwin Holdings, Inc., which was subsequently renamed Matson, Inc.

1

Table of Contents

PROPOSAL NO. 1: ELECTION OF CLASS I DIRECTORS

Three Class I Directors will be elected at the Annual Meeting to serve a three-year term and until their successors are duly elected and qualified.

Director Nominees and Qualifications of Directors

The Class I nominees of the Board of Directors are the three persons named below, all of whom currently are 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. Each director nominee identified below is an incumbent director who was unanimously nominated by the Board at the recommendation of the Nominating and Corporate Governance Committee.

The following table provides the name, age (as of March 31, 2013), and principal occupation of each person nominated by the A&B Board and each director continuing in office, 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 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. In selecting nominees, the Board has considered these factors and has reviewed the qualifications of each nominated director, which includes the factors reflected below.

Robert S. Harrison
Age: 52
Director Since: 2012

Chief Executive Officer and Director of First Hawaiian Bank ("FHB") since January 2012

President of FHB since December 2009

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 President and Chief Executive Officer of FHB, Hawaii's largest financial institution, Mr. Harrison brings to the board experience in managing complex business organizations, and banking and financial expertise. Mr. Harrison has board experience, including his service on the board of FHB, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Table of Contents

Michele K. Saito
Age: 53
Director Since: 2012

Chief Operating Officer of Healthways Hawaii (healthcare) since March 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 - 2000

Director Qualifications

As Chief Operating Officer of Healthways and as former President of Farmers, Ms. Saito brings to the Board experience in managing a complex business organization and financial expertise. Ms. Saito also has board experience, including her service on the board of Farmers. She 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: 45
Director Since: 2012

President, Chief Executive Officer and Director of Hawaiian Telcom Holdco, Inc. ("Hawaiian Telcom") (telecommunications) since June 2008

Chief Operating Officer of Hawaiian Electric Company, Inc. ("HECO") from January 2008 through June 2008

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

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

Director, Alaska Airlines, November 2012 to present

Director Qualifications

As President and Chief Executive Officer of Hawaiian Telecom, Mr. Yeaman brings to the Board experience in managing complex business organizations. Mr. Yeaman has financial expertise and board experience, including his service on the boards of Hawaiian Telcom and Alaska Airlines. He is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Table of Contents

CONTINUING DIRECTORS

Continuing Class II Directors Whose Terms Expire at the 2014 Annual Meeting

W. Allen Doane
Age: 65
Director Since: 2012
(Director of A&B Predecessor since 1998)

Director of A&B since June 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") since October 1998, Chairman of the Board of MNC from April 2006 through September 2008 and from July 2002 to January 2004

Director of BancWest Corporation ("BancWest") from April 2004 through July 2006 and since July 2012

Director of First Hawaiian Bank ("FHB"), banking subsidiary of BancWest since August 1999

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 and agribusiness operations. Mr. Doane has board experience, including his service on the board of FHB, Hawaii's largest financial institution, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Walter A. Dods, Jr.
Age: 71
Director Since: 2012
(Director of A&B Predecessor since 1989)

Non-Executive Chairman of the Board of Matson, Inc. since June 2012

Non-Executive Chairman of the Board of A&B Predecessor from January 2010 through June 2012

Lead Independent Director of A&B Predecessor from April 2006 through December 2009; Director of A&B Predecessor from April 1989 through June 2012

Director of Hawaiian Telcom (telecommunications) since December 2010

Non-Executive Chairman of the Board of Hawaiian Telcom from May 2008 to October 2010

Non-Executive Chairman of the Board of FHB, a subsidiary of BancWest (banking) from January 2005 through December 2008

Non-Executive Chairman of the Board of BancWest from January 2005 through December 2007; Chairman of the Board and Chief Executive Officer of BancWest and FHB, from September 1989 through December 2004; Director of BancWest since March 1993

Director of BancWest's banking subsidiaries, FHB since December 1979 and Bank of the West since November 1998

Director of Maui Land & Pineapple Company, Inc. from October 2004 through May 2010

Director Qualifications

As Chairman of the Board of A&B Predecessor, Chairman of the Board of Matson, Inc., and Chairman of the Board and Chief Executive Officer of BancWest, a national financial institution, Mr. Dods brings to the board experience in managing complex business organizations. He also has banking and financial expertise and has been designated by the Board of Directors as an Audit Committee Financial Expert. He is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Stanley M. Kuriyama
Age: 59
Director Since: 2012 (Director of A&B Predecessor since 2010)

Chairman of the Board and Chief Executive Officer of A&B since June 2012

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 Predecessor 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 Qualifications

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

Continuing Class III Directors Whose Terms Expire at the 2015 Annual Meeting

Charles G. King
Age: 67
Director Since: 2012
(Director of A&B Predecessor since 1989)

President and Dealer Principal, King Auto Center, Kauai (automobile dealership) since October 1995

Dealer Principal, King Infiniti of Honolulu (automobile dealership) since April 2004

Director of A&B Predecessor from April 1989 through June 2012

Director Qualifications

As the head of King Auto Center and King Infiniti of Honolulu, automotive dealerships located on Kauai and Oahu, respectively, Mr. King is an experienced businessman with executive and leadership skills and is the recipient of a number of business leadership awards. He contributes insights about Hawaii and A&B's operating markets, particularly on Kauai, where A&B has significant business interests. He is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Douglas M. Pasquale
Age: 58
Director Since: 2012
(Director of A&B Predecessor since 2005)

Director of Ventas, Inc. ("Ventas") (healthcare real estate investment trust) since July 2011

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

Chairman of the Board, President and Chief Executive Officer of NHP (healthcare real estate investment trust) 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 since November 2003

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 since February 2010

Director of Sunstone Hotel Investors, Inc. since November 2011

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

Director of DineEquity, Inc. since March 2013

Director Qualifications

As a director of Ventas, a publicly-traded healthcare real estate investment trust, and in his former role as 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 experience in real estate, one of A&B's main businesses, as well as experience in 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 serves as lead independent director for Terreno and as a director of Sunstone Hotel Investors, Inc.

Jeffrey N. Watanabe
Age: 70
Director Since: 2012
(Director of A&B Predecessor since 2003)

Non-Executive Chairman of the Board of HEI (electric utility/banking) since May 2006

Director of HEI since April 1987

Director of HECO from February 1999 to July 2006 and from February 2008 to May 2011, and American Savings Bank, F.S.B. since May 1988, each a subsidiary of HEI

Retired Founder, Watanabe Ing LLP ("WI"), Honolulu, Hawaii (attorneys at law) since July 2007; Partner, WI, from 1971 to June 2007

Director of Matson since June 2012

Director of A&B Predecessor from April 2003 through June 2012

Director Qualifications

As Chairman of the Board of HEI and former managing partner of a Honolulu law firm, of which he is a retired co-founder, Mr. Watanabe brings to the Board insights into corporate governance matters and leadership skills. In addition, he has both public and private company board experience and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Table of Contents

CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

Director Independence

The Board has reviewed each of its current directors (as listed above) and has determined that all such persons, with the exception of Mr. Kuriyama, who is an executive officer of A&B, 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; Mr. Dods and Mr. Harrison A&B's banking relationships with First Hawaiian Bank, an entity of which Mr. Dods is a director and Mr. Harrison is President and Chief Executive Officer; Mr. Watanabe A&B's banking relationships with American Savings Bank, an entity of which Mr. Watanabe is a director and electricity sales by a division of A&B to a subsidiary of HEI, an entity of which Mr. Watanabe is Non-Executive Chairman of the Board; Mr. King a reservation to purchase a Kukui'ula lot at the market price; and Mr. Yeaman telephone and other communication services provided to A&B by Hawaiian Telcom, an entity with which Mr. Yeaman is President and Chief Executive Officer. In the case of Mr. Doane, the Nominating Committee has concurred with his request that he not be considered for appointment to any board committee when committee assignments are made later in the year.

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. The Board understands that there is no single, generally accepted approach to providing Board leadership and that given the dynamic and competitive environment in which we operate, the right Board leadership structure may vary as circumstances warrant. The Board currently has a combined Chairman of the Board and Chief Executive Officer ("CEO") and a Lead Independent Director. The Board has chosen this leadership structure at this time because it believes such structure is in the best interests of the Company and its shareholders, as it provides unified leadership in identifying and carrying out strategic priorities of the Company. Further, the combined role fosters accountability and quick decision making, which is particularly important at this time. With its Lead Independent Director, this governance structure also provides a form of leadership that allows the Board to function distinct from management, capable of objective judgment regarding management's performance, and enables the Board to fulfill its duties effectively and efficiently. The Lead Independent Director's 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 non-management Directors, and facilitating communication between the Independent Directors and the Chairman and Chief Executive Officer. The Board has determined that its leadership structure is appropriate for A&B at this time.

The Board's Role in Risk Oversight

The Board 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, the accumulation of exposures at an enterprise level, and the development of sensitivity analyses are key requirements for capital requests that are presented to the Board.

This risk management process occurs throughout all levels of the organization, but is also facilitated through a formal process in which a risk management working group and a risk management steering committee (consisting of senior management) meet regularly to identify and address significant

Table of Contents

risks. 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 were included in the companywide operating plan. 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 regularly 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 risks or motivate unreasonably risky behavior that are reasonably likely to have a material adverse effect on the Company. Over the past several years, management worked with the A&B Predecessor 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.

As part of the Separation, management worked with Towers Watson and outside counsel to "clone" A&B Predecessor's plans and pay programs. As part of this process, there were no material changes to the plans and as a result, the Compensation Committee concluded that there continues to be no materially 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 risk enterprise oversight. It was noted that various policies are in place to mitigate any compensation-related risk, including:

minimum stock ownership guidelines,

vesting periods on equity,

capped incentive payments (for performance-based plans),

use of multiple performance metrics,

use of multiple organizational performance levels,

reasonable payout curves tied to performance goals (e.g., 50% at threshold, 100% at target, 200% maximum payout at extraordinary, with linear interpolation between each goal),

review of goal-setting by the Compensation Committee to ensure that goals are reasonable,

mix of pay that is consistent with competitive practices for organizations similar in size, insider trading and hedging prohibitions,

a compensation clawback policy, and

oversight by a Compensation Committee composed of independent directors.

Board of Directors and Committees of the Board

The Board of Directors held four meetings during 2012 following Separation on June 29, 2012. In conjunction with three of these meetings, the non-management directors of A&B met in formally-scheduled executive sessions, led by the Lead Independent Director. In 2012, all directors were present at more than 75% of the meetings of the A&B Board of Directors and Committees of the Board on which they serve, and seven directors were present at 100% of such meetings. The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance

Table of Contents

Committee, each of which is governed by a charter, which is available on the corporate governance page of A&B's website at www.alexanderbaldwin.com.

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

Mr. Pasquale, Chairman

Mr. Dods

Mr. Harrison

Each member is an independent director under the applicable NYSE listing standards and SEC rules. In addition, the Board has determined that Messrs. Pasquale and Dods 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 two times during 2012 since Separation.

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

Mr. King, Chairman

Ms. Saito

Mr. Yeaman

Each member is an independent director 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 on director compensation to the Board. 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 three times during 2012 since Separation.

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

Mr. Dods, Chairman

Mr. King

Mr. Pasquale

Mr. Watanabe

Each member is an independent director 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 once in 2012 since Separation.

Nominating Committee Processes

The Nominating Committee identifies potential nominees by asking current directors to notify the Nominating Committee of qualified persons who might be available to serve on the Board. The Nominating Committee also engages firms that specialize in identifying director candidates.

Table of Contents

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 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.

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 group decision-making skills. While the Nominating Committee does not have a written diversity policy, it considers diversity of knowledge, skills, professional experience, education, expertise, and representation in industries relevant to the Company, as important factors in its evaluation of candidates.

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.

In connection with the Separation, Messrs. Harrison and Yeaman and Ms. Saito were recommended to the Nominating Committee by non-management directors.

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:

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,

Board self-evaluation,

Board compensation,

Board access to management and outside advisors,

Board orientation and continuing education, and

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

Table of Contents

The full text of the A&B Corporate Governance Guidelines is available on the corporate governance page of A&B's corporate website at www.alexanderbaldwin.com.

Code of Ethics

A&B has adopted a Code of Ethics (the "Code") that applies to the CEO, Chief Financial Officer ("CFO") and Controller. A copy of the Code is posted on the corporate governance page of A&B's corporate website, 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.

Compensation of Directors

At the time of our Separation from A&B Predecessor, some of our directors Messrs. Doane, Dods, King, Kuriyama, Pasquale and Watanabe (the "Pre-Separation Directors") served on the board of directors of A&B Predecessor. The Pre-Separation Directors, other than Mr. Kuriyama who was A&B Predecessor's Chief Executive Officer at the time, received compensation in connection with their A&B Predecessor board service. On June 26, 2012, the Pre-Separation Directors were appointed to our Board of Directors and, with the exception of Messrs. Dods and Watanabe, resigned from the Board of Directors of A&B Predecessor. Messrs. Harrison and Yeaman and Ms. Saito also were appointed to our Board of Directors on June 26, 2012. The table below summarizes the compensation earned by or paid to our non-employee directors for services as a member of our Board of Directors for the period from January 1, 2012 through December 31, 2012.

2012 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
(a)	(b)	(c)	(d)	(f)	(g)	(h)
W. Allen Doane	59,850	100,040	0	N/A	3,000	162,890
Walter A. Dods, Jr.	112,900	83,338	0	N/A	2,000	198,238
Robert S. Harrison	38,433	83,338	0	N/A	0	121,771
Charles G. King	84,100	100,040	0	8,486	0	192,626
Douglas M. Pasquale	88,850	100,040	0	N/A	0	188,890
Michele K. Saito	37,558	83,338	0	N/A	0	120,896
Jeffrey N. Watanabe	82,100	100,040	0	N/A	250	182,390
Eric K. Yeaman	37,558	83,338	0	N/A	0	120,896

(1) Includes fees paid by A&B Predecessor for the period prior to Separation, as follows: Mr. Doane $31,100; Mr. Dods $72,900, Mr. King $42,850; Mr. Pasquale $45,600 and Mr. Watanabe $37,850.

(2)

Represents the aggregate grant-date fair value of restricted stock unit awards granted in 2012. Mr. Dods, Mr. Harrison, Ms. Saito and Mr. Yeaman were each granted $83,338 (a prorated amount based on expected service until the next Annual Meeting) in restricted stock units upon

Table of Contents

Separation. The remaining non-employee directors did not receive a new equity grant, since they had received an annual grant from A&B Predecessor on May 11, 2012. Existing restricted stock units were converted into A&B restricted stock units upon Separation for all directors except Mr. Dods, whose existing restricted stock units were converted into Matson restricted stock units, as he was appointed Matson's Chairman of the Board. At the end of 2012, Mr. Doane had 6,699 restricted stock units, Mr. King had 25,150 restricted stock units, Messrs. Pasquale and Watanabe had 8,552 restricted stock units and Mr. Dods, Mr. Harrison, Ms. Saito and Mr. Yeaman had 3,294 restricted stock units.

(3) Although no new options had been granted by A&B Predecessor since 2007, existing options were converted into A&B options upon Separation for all directors except Mr. Dods, whose options were converted into Matson options upon Separation. The aggregate number of stock option awards outstanding at the end of 2012 for each director is as follows: Mr. Dods, Mr. Harrison, Ms. Saito and Mr. Yeaman 0 shares; Mr. Doane 261,037 shares (these shares were acquired as compensation for his service as CEO of A&B Predecessor); Mr. King 49,266 shares; Mr. Pasquale 12,000 shares; and Mr. Watanabe 32,844 shares.

(4) Mr. King's amount is attributable to the aggregate change in the actuarial present value of his accumulated benefit under a defined benefit pension plan. This plan was frozen in 2004 and no other A&B director is eligible to obtain benefits from the plan. Upon Separation, Mr. Dods' pension benefit was assumed by Matson.

(5) Represents charitable contributions under the matching gifts program described on page 13 below.

Our Board of Directors approved the following non-employee director compensation schedule, effective post-Separation, which was developed with the assistance of Towers Watson:

Annual Retainer	$56,000
Lead Director (additional)	$25,000
Committee Chairs (additional)	
Audit Chair	$14,000
Compensation Chair	$10,000
Nominating and Governance Chair	$6,000
Committee Members (additional)	
Audit Member	$9,000
Compensation Member	$7,500
Nominating and Corporate Governance Member	$6,000
Annual Equity Award	$90,000

For any telephonic or in-person meetings in excess of seven A&B board meetings, a per meeting fee of $750 will be paid. For any telephonic or in-person meetings in excess of six meetings for the Audit Committee, five meetings for the Compensation Committee, and four meetings for the Nominating and Corporate Governance Committee, a fee of $750 per meeting will be paid. Under the terms of the 2012 Plan, an automatic grant of approximately $90,000 in restricted stock units is made to each director who is elected or reelected as a non-employee director of A&B at each Annual Meeting of Shareholders or upon appointment as a director. These awards vest in equal increments over three years. 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, whichever is earlier. 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; no directors have deferred any of these fees. 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 in 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 at the time of his or her departure from the Board, plus 10 percent of that amount for each year of service as a director over five years (up to an additional 50 percent). Effective December 31, 2004, these retirement benefits were frozen based on a director's service and retainer on that date and no further benefits accrue. Upon Separation, A&B adopted A&B Predecessor's retirement plan for directors. Only Mr. King has an accrued benefit under the retirement plan for directors.

Directors have business travel accident coverage of $200,000 for themselves and $50,000 for their spouses while accompanying directors on A&B business. They also may participate in the Company's matching gifts program for employees, in which the Company matches contributions to qualified cultural and educational organizations up to a maximum of $3,000 annually.

Director Share Ownership Guidelines

The Board has Share Ownership Guidelines that encourages each non-employee director to own A&B common stock (including restricted stock units) with a value of five times the amount of the current cash retainer of $56,000, within five years of becoming a director. Mr. Harrison, Ms. Saito and Mr. Yeaman, all of whom joined the Board in 2012, are on track to meet the guidelines. All other directors have met the established guidelines.

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 strongly encouraged to attend the Annual Meeting of Shareholders. This will be the first Annual Meeting of Shareholders since Separation. All of the A&B Predecessor directors attended the 2012 Annual Meeting of A&B Predecessor.

SECURITY OWNERSHIP OF CERTAIN SHAREHOLDERS

The following table lists the names and addresses of the only shareholders known by A&B on March 15, 2013 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

Table of Contents

the footnotes, such shareholders have sole voting and dispositive power over shares they beneficially own.

Name and Address Of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
The London Company 1801 Bayberry Court, Suite 301 Richmond, VA 23226	3,253,007(a)	7.6%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	3,045,386(b)	7.1%
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	2,937,595(c)	6.8%
Piper Jaffray Companies 800 Nicollet Mall, Suite 800 Minneapolis, MN 55402	2,827,215(d)	6.6%
The Vanguard Group 100 Vanguard Blvd. Malvin, PA 19355	2,370,067(e)	5.5%

(a) As reported in Amendment No. 1 to Schedule 13G dated February 6, 2013 (the "London Company 13G") filed with the SEC. According to the London Company 13G, London Company has sole voting power and sole dispositive power over 3,052,003 shares, has shared dispositive power over 201,004 shares and no shared voting power over any shares.

(b) As reported in the Schedule 13G dated February 4, 2013 (the "BlackRock 13G") filed with the SEC. According to the BlackRock 13G, BlackRock, Inc. has sole voting power and sole dispositive power over all 3,045,386 shares, and does not have shared voting or shared dispositive power over any shares.

(c) As reported in the Schedule 13G dated February 8, 2013 (the "Dimensional Fund 13G") filed with the SEC. According to the Dimensional Fund 13G, Dimensional Fund Advisors LP has sole voting power over 2,881,894 shares and sole dispositive power over 2,937,595 shares (subject to the provision of Note 1 of the Dimensional Fund 13G), and does not have shared voting or shared dispositive power over any shares.

(d) As reported in the Schedule 13G dated February 14, 2013 (the "Piper Jaffray 13G") filed with the SEC. According to the Piper Jaffray 13G, Piper Jaffray Companies has sole voting power and sole dispositive power over all 2,827,215 shares and does not have shared voting or shared dispositive power over any shares.

(e) As reported in Amendment No. 1 to Schedule 13G dated February 20, 2013 (the "Vanguard 13G") filed with the SEC. According to the Vanguard 13G, The Vanguard Group has sole voting power over 30,259 shares and sole dispositive power over 2,341,808 shares, has no shared voting power over any shares, and has shared dispositive power over 28,259 shares.

Table of Contents

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 March 15, 2013 by each director and nominee, by each executive officer named in the "Summary Compensation Table" below, and by directors, nominees 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.

Name or Number in Group	Number of Shares Owned(a)(b)	Restricted Stock Units and Stock Options(c)	Total	Percent of Class
W. Allen Doane	42,653	263,703	306,356	0.7
Walter A. Dods, Jr.	70,252	0	70,252	0.2
Robert S. Harrison	0	0	0	
Charles G. King	17,752	53,785	71,537	0.2
Douglas M. Pasquale	17,704	16,519	34,223	0.1
Michele K. Saito	0	0	0	
Jeffrey N. Watanabe	11,544	37,363	48,907	0.1
Eric K. Yeaman	0	0	0	
Stanley M. Kuriyama	163,067	577,343	740,410	1.7
Christopher J. Benjamin	78,840	161,637	240,477	0.6
Paul K. Ito	10,697	69,019	79,716	0.2
Nelson N. S. Chun	45,883	86,172	132,055	0.3
Meredith J. Ching	28,301	99,096	127,397	0.3
15 Directors, Nominees and Executive Officers as a Group	492,241	1,380,287	1,872,528	4.2

(a) Amounts do not include 400 shares beneficially owned in a fiduciary capacity by the William Garfield King Educational Trust, of which Mr. King is a trustee. Amounts include 20,000 shares held in a trust by the spouse of Mr. Benjamin.

(b) Amounts include shares as to which directors, nominees and executive officers have (i) shared voting and dispositive power, as follows: Mr. Dods 2,000 shares, Mr. Pasquale 17,704 shares, Ms. Ching 2,800 and directors, nominees and executive officers as a group 22,504 shares and (ii) sole voting power only: Ms. Ching 386, and directors, nominees and executive officers as a group 386 shares.

(c) Amounts reflect shares deemed to be owned beneficially by directors, nominees and executive officers because they may be acquired prior to May 15, 2013 through the exercise of stock options or vesting of restricted stock units. Amounts do not include 162,333 restricted stock units that have been granted to the directors and executive officers as a group that may not be acquired prior to May 15, 2013.

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 2012, its directors and executive officers filed all reports required to be filed under Section 16(a) on a timely basis.

Table of Contents

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 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 independence in the event the person in question is a director, an immediate family member of a director or an entity in which a director 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.

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.

Robert S. Harrison, a director of A&B, is President, Chief Executive Officer and Director of FHB. A&B and its subsidiaries have a number of relationships with FHB incurred in the ordinary course of business. First Hawaiian Bank is the largest bank in Hawaii and has been a lending partner to the Company and its predecessor for many years prior to Mr. Harrison joining the board. FHB (i) had a 23.2 percent participation from January 1, 2012 through June 28, 2012 in A&B Predecessor's $230 million revolving credit and term loan agreement and currently has a 19.2 percent participation in A&B's $260 million revolving credit and term loan agreement, of which, in 2012, the largest aggregate amount of principal outstanding was $174,100,000; $211,400,000 and $1,071,951 were paid in principal and interest, respectively; and $38,500,000 was outstanding on March 15, 2013, with interest payable on a sliding scale at rates between 1.5 percent to 2.5 percent (based on A&B's debt to Total Assets, as defined in the loan agreement) plus LIBOR, (ii) has a 41.7 percent participation in a $120 million construction loan made to a limited liability company in which a subsidiary of A&B is a member, of which, in 2012, there was no principal balance outstanding and no amounts were paid in principal and interest, respectively; and no amount was outstanding on February 21, 2013, with interest payable at a rate of LIBOR plus 3 percent, (iii) 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 2012, the largest aggregate amount of principal outstanding was $5,000,000; and $0 and $325,890 were paid in principal and interest, respectively, with interest payable at 6.5%, which loan was renegotiated effective January 1, 2013 and $5,000,000 amount was outstanding on March 15, 2013, with interest payable at a rate of LIBOR plus 2%, 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, and (iv) is a commercial tenant in two properties owned by A&B subsidiaries, under leases with terms that expire or expired in 2017 and 2012, with aggregate gross rents in 2012 of $247,295, and aggregate net rent from and after January 1, 2013 of $434,327.

Walter A. Dods, Jr., owns an approximately 11.5 percent interest in Grace Pacific Corporation ("Grace") with which A&B and its subsidiaries have relationships that were incurred in the ordinary course of business. Grace is a ground lessee in three properties owned by an A&B subsidiary, under leases with terms that expire in 2014, 2016 and 2017, with gross rents in 2012 of $2,144,888, and aggregate net rent from and after January 1, 2013 of $3,258,305.

Table of Contents

Eric K. Yeaman, a director of A&B, is President, Chief Executive Officer and Director of Hawaiian Telcom. In 2012, a limited liability company in which a subsidiary of A&B is a member ("A&B LLC") entered into a contract in the ordinary course of business under which Hawaiian Telcom will provide wiring and other infrastructure valued at approximately $1.25 million as part of a five-year contract to provide cable and internet service at an annual base price of approximately $200,000.

Agreements with A&B Predecessor

As part of the Separation, A&B entered into a Separation and Distribution Agreement and several other agreements with A&B Predecessor. These agreements provided for the allocation between A&B and A&B Predecessor of the assets, liabilities and obligations of A&B Predecessor and its subsidiaries, and govern the relationship between A&B and A&B Predecessor post-Separation. In addition to the Separation and Distribution Agreement, the other principal agreements entered into include:

- a Tax Sharing Agreement;
- a Transition Services Agreement; and
- an Employee Matters Agreement.

The summaries below of each of these agreements set forth the terms that we believe are material. The summaries are qualified in their entirety by reference to the full text of the applicable agreements, which available as exhibits to our amended Registration Statement on Form 10.

Separation and Distribution Agreement. The Separation and Distribution Agreement contains the key provisions that governed the separation of A&B's businesses from A&B Predecessor. It also contains other agreements that govern certain aspects of A&B's relationship with A&B Predecessor after Separation. For purposes of the Separation and Distribution Agreement: (i) the "A&B Group" means A&B, A&B LLC and each of A&B LLC's subsidiaries and (ii) the "Matson Group" means A&B Predecessor, ABHI-Crockett, Inc., Matson and each of Matson's subsidiaries.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement allocated the assets and liabilities of A&B Predecessor and its subsidiaries between the A&B Group and the Matson Group and described when and how required transfers and assumptions of assets and liabilities occurred. The Separation and Distribution Agreement also governed the contribution of approximately $160 million from the Matson Group to the A&B Group. The $160 million was an estimate of an allocation of cash that was intended to result in an allocation of debt of approximately 60 percent to the Matson Group and 40 percent to the A&B Group.

Termination of Intercompany Agreements. Effective upon the Separation, all agreements between any member of the Matson Group, on the one hand, and any member of the A&B Group, on the other hand, existing prior to Separation (excluding the Separation and Distribution Agreement and each ancillary agreement) were terminated, other than the ship management agreement for the MV Moku Pahu, a lease for a warehouse in Savannah, Georgia, an equipment maintenance agreement, and various agreements related to molasses carriage and storage.

Settlement of Intercompany Accounts. All receivables, payables or loans between any member of the Matson Group, on the one hand, and any member of the A&B Group, on the other hand, existing prior to the Separation (excluding any receivables, payables or loans that arise pursuant to the Separation and Distribution Agreement or any ancillary agreement) were satisfied and/or settled in cash or otherwise canceled.

Table of Contents

The Distribution. On the distribution date, A&B Predecessor distributed, on a pro rata basis, all of the issued and outstanding shares of A&B common stock to A&B Predecessor shareholders who held A&B Predecessor shares as of the record date.

No Representations or Warranties. Except as expressly set forth in any ancillary agreement, neither A&B Predecessor nor A&B provided any representations or warranties in connection with the Separation and Distribution Agreement and all assets were transferred "as is, where is."

Access to Information. The Separation and Distribution Agreement provides that the parties will exchange certain information required to comply with requirements imposed on the requesting party by a government authority for use in any proceeding or to satisfy audit, accounting, claims defense, regulatory filings, litigation, tax or similar requirements, for use in compensation, benefit or welfare plan administration or other bona fide business purposes, or to comply with its obligations under the Separation and Distribution Agreement or any ancillary agreement. In addition, the parties are required to use reasonable best efforts to make available to each other directors, officers, other employees and agents as witnesses in any legal, administrative or other proceeding in which the other party may become involved to the extent reasonably required.

Releases, Allocation of Liabilities and Indemnification. The Separation and Distribution Agreement provided for a full and complete release and discharge of all liabilities existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before Separation, between or among any member of the Matson Group and any member of the A&B Group, except as expressly set forth in the Separation and Distribution Agreement. Under the Separation and Distribution Agreement, (i) A&B is required to indemnify each member of the Matson Group and their affiliates and each of their respective current and former stockholders, directors, officers, agents and employees against any and all losses relating to (a) liabilities arising out of the A&B businesses, (b) any breach by any member of the A&B Group of any provision of the Separation and Distribution Agreement or any ancillary agreement and (c) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to information contained in the Registration Statement on Form 10 filed in connection with the Separation (other than information regarding any member of the Matson Group provided to A&B by any member of the Matson Group for inclusion therein) and (ii) that A&B Predecessor is required to indemnify each member of the A&B Group and their affiliates and each of their respective current and former stockholders, directors, officers, agents and employees against any and all losses relating to (a) liabilities arising out of the Matson businesses, (b) any breach by any member of the Matson Group of any provision of the Separation and Distribution Agreement or any ancillary agreement and (c) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to information contained in the Registration Statement on Form 10 filed in connection with the Separation (solely with respect to information regarding any member of the Matson Group provided to A&B by any member of the Matson Group for inclusion therein). The Separation and Distribution Agreement also established procedures with respect to claims subject to indemnification and related matters. Indemnification with respect to taxes and employee benefits is governed by the Tax Sharing Agreement and the Employee Matters Agreement, respectively.

Expenses. Except as expressly set forth in the Separation and Distribution Agreement or in any ancillary agreement, each of A&B Predecessor and A&B is required to pay for its own expense (and the expenses of the other members of its Group) in connection with Separation.

Tax Sharing Agreement. In connection with Separation, A&B and A&B Predecessor entered into a Tax Sharing Agreement. The Tax Sharing Agreement with A&B Predecessor generally governs the

Table of Contents

rights, responsibilities and obligations after Separation with respect to taxes, including ordinary course of business taxes and taxes, if any, incurred as a result of any failure of Separation, together with certain related transactions, to qualify as tax-free for U.S. federal income tax purposes within the meaning of Sections 355 and 368 of the Code (including as a result of Section 355(e) of the Code). Under the Tax Sharing Agreement, with certain exceptions, A&B generally is responsible for the payment of all income and non-income taxes to the extent such taxes relate to or are imposed upon the A&B businesses. With certain exceptions, A&B Predecessor generally is responsible for the payment of all income and non-income taxes (including consolidated U.S. federal income taxes of the A&B Predecessor tax reporting group for which A&B is severally liable) to the extent such taxes relate to or are imposed upon the Matson businesses, and A&B Predecessor is required to indemnify A&B for these taxes.

Notwithstanding the foregoing, under the Tax Sharing Agreement, A&B also generally is responsible for any taxes imposed on A&B Predecessor that arise from the failure of Separation, together with certain related transactions, to qualify as tax-free for U.S. federal income tax purposes within the meaning of Sections 355 and 368 of the Code, to the extent such failure to qualify is attributable to actions, events or transactions relating to A&B's stock, assets or business, or a breach of the relevant representations or covenants made by A&B and its subsidiaries in the Tax Sharing Agreement, the materials submitted to the IRS in connection with the request for the IRS Ruling or the representation letter provided to counsel in connection with the Tax Opinion. In addition, each of A&B and A&B Predecessor generally is responsible for a portion of any taxes that arise from the failure of Separation, together with certain related transactions, to qualify as tax-free for U.S. federal income tax purposes within the meaning of Sections 355 and 368 of the Code, if such failure is for any reason for which neither A&B nor A&B Predecessor is responsible. The Tax Sharing Agreement also imposes restrictions on the respective abilities of A&B and A&B Predecessor to engage in certain actions following Separation and sets forth the respective obligations among A&B and A&B Predecessor with respect to the filing of tax returns, the administration of tax contests, assistance, cooperation and other matters.

Transition Services Agreement. Pursuant to the Transition Services Agreement, A&B and A&B Predecessor agreed to continue to provide to one another various services on an interim, transitional basis, for a period of up to 24 months.

Transition Services. The services A&B provides A&B Predecessor include human resources and government and community relations. The services A&B Predecessor provides A&B include tax and risk management services.

Standard of Performance. A&B and A&B Predecessor agreed to perform the transition services in a manner generally consistent with the manner in which such services were provided prior to the distribution date.

Fees. In consideration for such services, A&B and A&B Predecessor agreed to each pay fees to the other for the services provided, and those fees are generally in amounts intended to allow the party providing services to recover all of its direct and indirect costs incurred in providing those services.

Limitation of Liabilities. In general, neither A&B nor A&B Predecessor is liable to the other in connection with any service provided under the transition services agreement except in the case of gross negligence or willful misconduct.

Term and Termination. The Transition Services Agreement will terminate after a period of 24 months, but one or more of the services may be terminated earlier by the receiving party at the end of a designated month by giving the providing party at least 30 days' prior written notice of such termination. Either party has the right to terminate the transition services agreement in the event that

Table of Contents

the other party shall have (i) applied for or consented to the appointment of a receiver, trustee or liquidator; (ii) admitted in writing an inability to pay debts as they mature; (iii) made a general assignment for the benefit of creditors; or (iv) filed a voluntary petition, or have filed against it a petition, for an order of relief under the Federal Bankruptcy Code (as amended).

Employee Matters Agreement. A&B entered into an Employee Matters Agreement with A&B Predecessor that set forth our agreements with A&B Predecessor as to certain employment, compensation and benefits matters. The Employee Matters Agreement contains provisions concerning cooperation between A&B and A&B Predecessor in the sharing of employee information and the maintenance of confidentiality.

Assumption and Retention of Liabilities; Related Assets. The Employee Matters Agreement provided for the allocation and treatment of liabilities and assets arising out of employee compensation and benefit programs in which employees participated prior to the distribution date. Generally, each of A&B Predecessor and A&B assumed or retained sponsorship of, and liabilities relating to, employee compensation and benefit programs relating to its own employees. In connection with the Separation, A&B provided benefit plans and arrangements for its employees.

Effect on Equity Awards. The Employee Matters Agreement provides for the treatment of outstanding equity awards of A&B Predecessor in connection with Separation. All outstanding A&B Predecessor equity awards to the extent held by employees of A&B as of the distribution date were converted to New A&B equity awards, issued pursuant to an equity incentive plan. The conversion resulted in each converted award having substantially the same intrinsic value as the applicable A&B Predecessor equity award as of the conversion.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis ("CD&A")

The CD&A addresses A&B's compensation practices for 2012 for the five executive officers named in the Summary Compensation Table on page 38 (collectively, the "Named Executive Officers" or "NEOs"). The NEOs are:

- Stanley M. Kuriyama, Chairman of the Board & Chief Executive Officer, A&B
- Christopher J. Benjamin, President and Chief Operating Officer, A&B; President, A&B Properties, Inc.
- Paul K. Ito, Senior Vice President, Chief Financial Officer, Controller and Treasurer, A&B
- Nelson N. S. Chun, Senior Vice President and Chief Legal Officer, A&B
- Meredith J. Ching, Senior Vice President, Government & Community Relations, A&B

Executive Summary

Pay Philosophy. The following is an overview of the Company's pay philosophy:

- A&B firmly believes in pay for performance and, thus, ties the majority of the NEO's compensation to performance to ensure alignment with the interests of the Company's shareholders. In 2012, 73 percent of the CEO's target total direct compensation was variable and performance-based. For the other NEOs, on average, 59 percent of total direct compensation was variable and performance-based.
- All elements of compensation are generally targeted at the 50^{th} percentile of market pay data.

20

All NEOs participate in the same health and welfare benefit plans, on substantially similar terms, as other salaried employees.

Performance Accomplishments in 2012. In 2012, the Company had the following significant accomplishments:

Separation was undertaken to achieve a number of benefits, including enhanced management focus on the strategic, capital structure and operational issues of the real estate business and agribusiness, increased transparency, greater clarity for our investors and industry-specific analysts, improved ability to use the Company's stock as acquisition currency, and enhanced ability to offer equity-based compensation incentives that reflect the specific business objectives, financial goals and performance of the real estate business and agribusiness. Since the December 1, 2011 public announcement of the Separation to December 31, 2012, the combined share price appreciation of A&B and Matson was 42%, surpassing the S&P Mid Cap 400 Index (16%) and the S&P 500 Index (15%).

The Company achieved adjusted net income of $32.3 million[(2)] ($20.5 million on a GAAP basis, which includes, on a pre-tax basis, $6.8 million of expenses associated with the Separation from Matson and $9.8 million of non-cash impairments of two California development projects due to the Company's strategic decision upon Separation to focus principally on Hawaii development projects), above 2011 net income of $23.5 million. Full-year 2012 earnings benefitted from the solid performance of the Real Estate Leasing and Agribusiness segments, combined with a significantly lower effective tax rate resulting from A&B's investment in a six-megawatt solar form at Port Allen, Kauai, and a land donation to a Maui non-profit organization.

Net Income

The Company's revenue in 2012 was $296.7 million compared to $267.7 million in 2011.

(2) Refer to page 48 for a discussion of the Company's use of non-GAAP financial measures and a reconciliation of adjusted net income.

Table of Contents

Revenues

---

*

2011 and 2012 figures exclude results from Matson operations

In 2012, the Company made a number of investments and acquisitions that are important steps to the future success of the Company. These include investments in core real estate development projects Kukui'ula, Waihonua, Wailea, and Maui Business Park II and in new real estate investments, including One Ala Moana Tower and an option to purchase a new high-rise condo site in urban Honolulu. Waihonua, A&B's urban Oahu high-rise condominium, in particular, generated strong pre-sale results in 2012. A&B also acquired two commercial properties with attached development parcels in West Oahu, where we have started to build out additional gross leasable area for our commercial real estate portfolio. Land planning efforts also advanced in 2012, with the State Land Use Commission's approval of the reclassification of our 545-acre Waiale master-planned community (2,500 units) in Central Maui from Agriculture to Urban.

The Real Estate Leasing segment performed well. Year-over-year commercial portfolio net operating income increased by four percent and operating profit increased by six percent. Also, 2013 lease rollover exposure was reduced by 53%.

In Agribusiness, revenue increased $24.8 million, or 16 percent, in 2012 compared to 2011. The Company continued to research renewable energy alternatives for its plantation on Maui, which is being funded, in part, with $12 million of Federal grants. Expansion of renewable energy capabilities increased significantly with the development of a $23 million solar farm on a 20-acre parcel in Port Allen, Kauai that was put into service in December 2012. Seventy percent of the total cost of this tax-advantaged project will be recouped by the end of 2013, with the remainder recovered over the ensuing four years.

Pay for Performance. Notwithstanding the foregoing accomplishments, the Company's financial performance in 2012 was deemed to fall below "threshold" for the annual incentive and long-term incentive goals and was reflected in elements of compensation earned by executives in 2012.

Base Salary: NEO salaries range from below the 25^{th} to the 60^{th} percentiles of competitive market rates.

Target Total Cash: NEO target total cash compensation levels range from below the 25^{th} to the 50^{th} percentiles. The annual incentive amounts earned reflect Company performance at below the threshold level against consolidated pre-tax income and ROIC targets for 2012 for all of the NEOs. Actual total cash compensation paid to the NEOs ranged from 25^{th} percentile to 50^{th} percentile.

Total Direct Compensation: The Committee provided target total direct compensation award opportunity for the NEOs from below the 25^{th} percentile (for the CEO, who requested a

Table of Contents

reduction in his base pay and long-term incentive award level versus market) to the 60th percentile. Long-term incentive award opportunity grants for each NEO ranged from below the 25th to the 75th percentiles. Actual total direct compensation paid to the NEOs ranged from 25th percentile to 50th percentile.

2012 Performance-based Restricted Stock Units: Based upon the Company's achievement of pre-set goals for pre-tax income and return on invested capital, the threshold level was not met and, as a result, the NEOs did not earn any performance-based units that were part of the 2012 LTI grants.

Promote Good and Avoid Bad Pay Practices. The Compensation Committee evaluates its executive compensation practices and modifies or adopts programs or practices to provide an appropriate balance of risk and reward. It adheres to good governance practices, as highlighted below, to ensure that it adopts the best practices to the extent that they are best aligned to the business goals and strategy of the Company as well as shareholder interests.

Promote Good Pay Practices	Avoid Bad Pay Practices
Total remuneration consists heavily of performance-based, short- and long-term incentive compensation	No employment contracts
Multiple performance metrics to determine incentive payments	No guaranteed bonus payments to senior executives
Meaningful stock ownership guidelines for senior executives	No large bonus payouts without justifiable performance linkage
Multi-year performance periods on performance based awards	De minimis perquisites
Multi-year vesting periods on all equity awards	No excessive severance or change in control provisions
	No tax reimbursements

Change in control agreements that include double triggers requiring both a change-in-control event and termination of employment before any payments can be made	No speculative transactions by executives using Company stock in hedging activities
	No unreasonable internal pay disparity
	No repricing or replacing of underwater stock options, without prior shareholder approval

Compensation Overview

The Company's executive compensation programs are administered by its Compensation Committee. However, prior to the Separation, our executive compensation program was determined by the A&B Predecessor Compensation Committee, which established the basic structure of executive compensation, including the initial annual base salaries, components of annual incentive compensation and the type and amount of target long-term incentive compensation. Following the Separation, after conducting a search for an independent consultant, our Compensation Committee retained Towers Watson to provide advice and analysis on the design, structure and level of executive and director compensation for A&B.

Following the Separation, our Compensation Committee reviewed the compensation arrangements established by A&B Predecessor previously, including the compensation arrangements of the NEOs, for alignment with our compensation philosophy and objectives. Our Compensation Committee adjusted certain incentive targets to reflect post-Separation real estate and agribusiness performance. Unless otherwise indicated, the information provided in this CD&A reflects the compensation of our NEOs as approved or adjusted by our Compensation Committee following the Separation.

Table of Contents

In 2013, the Compensation Committee approved further adjustments to both the short and long-term incentive programs to further align pay with the Company's performance, post-Separation, taking effect in 2013. Changes to the short and long-term incentive designs are described below, as applicable.

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 results. To achieve this, the Company uses the following pay elements (described further under "Pay Elements" below):

- Salary
- Annual cash incentives
- Long-term equity incentives
- Health and welfare benefits
- Retirement benefits
- Executive Severance Plan ("Severance Plan") and Change in control agreements

Target Compensation Percentiles. In 2012, to implement the Company's compensation philosophy, the Compensation Committee set target compensation levels, expressed as a percentile, as follows:

- Cash compensation (salary and annual incentives at target) at or about the 50^{th} percentile of competitive survey data (described under "The Role of Survey Benchmarking").
- Total direct compensation (cash compensation and long-term equity incentives) at or about the 50^{th} percentile.
- Total compensation (total direct compensation, plus health and welfare benefits, retirement benefits and perquisites) at or about the 50^{th} percentile.

Actual compensation is dependent upon Company and individual performance. Post-Separation, the Compensation Committee decided to retain the target percentiles for each element of pay at the 50^{th} percentile.

Combination of Pay Elements. 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 maintaining a balanced program to ensure an appropriate balance between pay and risk. The Committee believes that this is consistent with one of its key compensation objectives, which is to align management and shareholder interests. For 2012, the total direct compensation mix was generally within the same range as competitive practices for each element of pay, as shown by the table below. To reduce corporate overhead, and reflecting the challenging operating environment, Mr. Kuriyama requested to be paid more closely to the 25^{th} percentile and receive a target long-term incentive award level of about one-half that of competitive practices.

Table of Contents

Percentage of Target Total Direct Compensation Provided by Each Pay Element for 2012

	NEOs			Competitive		
	Salary	**Annual Incentives**	**Long-Term Incentives**	**Salary**	**Annual Incentives**	**Long-Term Incentives**
Mr. Kuriyama	27%	28%	45%	28%	26%	46%
Mr. Benjamin	34%	21%	45%	39%	26%	35%
Mr. Ito	44%	26%	30%	42%	28%	30%
Mr. Chun	43%	19%	38%	49%	26%	25%
Ms. Ching	44%	18%	38%	58%	21%	21%

Review of Total Compensation. In evaluating the mix of pay elements, the Compensation Committee reviews:

A summary of the value of all compensation elements provided to the executive during the year,

Competitive survey data,

Health and welfare benefits and retirement plan balances,

Prior compensation decisions for the past five years by A&B Predecessor through tally sheets,

Economic environment,

Business unit strategic goals and performance expectations,

Expected and actual Company, business unit, and individual performance, and

Insight from the A&B Predecessor shareholder Say-on-Pay vote results.

The Compensation Committee uses the above information to evaluate the following:

Alignment of the pay program to the Committee's commitment to pay for performance,

Consistency with competitive survey data,

Reasonableness and balance of pay elements as they relate to pay risk,

Year-to-year pay movement for each NEO to ensure it reflects variations in annual performance,

Internal pay equity based on individual performance, job level and competitive compensation data, and

The effect of potential payments, awards and plan design changes on the executive's total pay package.

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 equity exists. In 2012, it reviewed the ratio of the CEO's salary, total cash and total direct compensation relative to the average compensation for the other NEOs, as reflected in the table below. These ratios were also compared to benchmark survey data to determine whether compensation relationships are consistent with industry practices. The Company's target and actual ratios were within a reasonable range and positively reflect a lower ratio between the CEO and other NEOs than that of companies of similar size in general industry. The CEO has expressed his personal philosophy and desire for a lower ratio between CEO pay and other NEO pay compared to market practices.

Table of Contents

2012 Ratio of Target and Actual CEO Pay to Other NEOs

	Salary	Total Cash Compensation	Total Direct Compensation
A&B Target	1.65 to 1	2.21 to 1	2.46 to 1
A&B Actual*	1.65 to 1	1.62 to 1	2.14 to 1
Benchmark Data (target)	1.98 to 1	2.41 to 1	3.15 to 1

* Based on base salary as of December 31, 2012, actual annual incentives paid in 2012 for 2011 performance and grant date value of the long-term incentive grants made in January 2012.

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. Because the Company believes that salary is less impactful than performance-based compensation in achieving the overall objectives of the Company's executive compensation program, at target, between 27 - 44% of an NEO's total compensation is paid as salary. The Company's general philosophy is to provide salaries at the median of salaries paid to officers with comparable job responsibilities in general industry companies of similar size to the Company. Factors that are considered in determining salary include:

Job responsibilities and experience,

The executive's performance,

Competitive survey data,

Positioning within the executive's salary range,

Positioning in relation to the Company's pay philosophy,

Internal pay equity,

Projected salary increases in the general industry,

The value of the executive's total pay package at target for the year,

Proper balance of pay elements to discourage inappropriate risk behaviors,

Economic conditions, and

Company performance.

Generally, the Board of Directors determines the CEO's annual salary change on the basis of the factors listed above. The Board has a formal performance review process for the CEO that includes four key categories: operating plan, growth initiatives, strategic initiatives, and core CEO responsibilities. None of the categories is formally weighted, and there is no overall rating score. Each board member provides written observations and rates the CEO's performance against the criteria. The Board of Directors discusses the results of the assessment with the CEO, including the areas of greatest strength and areas where improvements could be made. The result of this process is considered in determining the CEO's actual salary. However, the Compensation Committee has also taken into account the CEO's desire to keep the ratio between CEO and other NEO pay lower than market practices when recommending adjustments to the Board.

Table of Contents

At Mr. Kuriyama's request, his post-Separation salary was reduced from $642,952 (salary as of April 1, 2012) to $525,000, along with an increase to his at-risk annual incentive target from 90% to 105%. As a result, his annual target total cash compensation was reduced by approximately 11%.

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 1st. Any base salary increases for NEOs in 2012 from A&B Predecessor salaries reflected merit increases based on performance and the factors listed above, except as noted below.

Salary Information for 2011 - 2012

NEO	Base Salary as of 12/31/11	% Change	Base Salary as of 12/31/12	Estimated Competitive Market Percentile
Mr. Kuriyama	$ 633,450	-17%*	$ 525,000	45th
Mr. Benjamin	$ 432,600	1.5%	$ 439,089	60th
Mr. Ito	$ 249,827	20.1%**	$ 300,000	45th
Mr. Chun	$ 294,930	1.5%	$ 299,354	60th
Ms. Ching	$ 233,398	1.5%	$ 236,899	50th

* Reflects a voluntary base salary reduction requested by Mr. Kuriyama

** Reflects Mr. Ito's promotion to Chief Financial Officer post-Separation

Annual Incentives: In 2012, Annual incentives for NEOs were provided through the Alexander & Baldwin, Inc. Performance Improvement Incentive Plan ("PIIP") to motivate executives and reward them if they achieve specific pre-established corporate, business unit and individual goals. These goals were established in February 2012 by A&B Predecessor based on the use of the metrics described below and were adjusted by A&B's Compensation Committee to reflect Separation.

Weighting of Goals. The weighting of the corporate, business unit and individual goals depends on the executive's position and responsibilities. The intention is to place a significant portion of the awards on the financial results of the Company and business units, but balance that with important strategic goals that have been established for the year through individual NEO objectives. The 2012 weighting is as follows:

Weighting of 2012 PIIP Goals for NEOs

NEO	Unit	Corporate	Business Unit	Individual
Mr. Kuriyama	Corporate	70%		30%
Mr. Benjamin	Corporate	20%	50%*	30%
Mr. Ito	Corporate	70%		30%
Mr. Chun	Corporate	70%		30%
Ms. Ching	Corporate	70%		30%

* composed of 50% Properties/50% Agribusiness

Determination of Annual Cash Incentive Award. Each component corporate, business unit and individual is evaluated against the respective performance goals. There are three levels of award opportunities for each component: threshold, target and extraordinary (maximum). In 2012, the target award opportunity levels for our NEOs ranged from 40 percent to 105 percent of salary, which is consistent with competitive targets. If a threshold goal is not achieved, there is no payout for that component. If threshold goals are achieved, a participant receives 50 percent of the target award

27

Table of Contents

opportunity set for that component. If target or extraordinary goals are achieved, a participant receives 100 or 200 percent, respectively, of the target award opportunity for that component. Awards are prorated for performance between the threshold, target and extraordinary levels, as applicable. No additional award is provided for performance above the extraordinary goal level. The maximum award in the aggregate is 200 percent of the NEO's target award opportunity.

The CEO reviews the annual individual incentive award calculations for each individual and makes recommendations to the Compensation Committee regarding payouts. The Compensation Committee reviews and approves the awards and has discretion to modify recommended awards to take into consideration factors it believes appropriately reflect the performance of the Company, unit and individual. Such factors vary, but may include, for individuals, adjustments for an executive taking on temporary but significant additional responsibilities to his normal job role or, for the Company or a business unit, adjustments for extraordinary or unusual events.

Working with Towers Watson-supplied reports and using data as described in the Role of Survey Data section on page 35, management and the Compensation Committee reviewed target award levels for the annual cash incentive awards and confirmed that each NEO is at the 50^{th} percentile and that target total cash ranges from the 40^{th} to 50^{th} percentile for each of the NEOs.

Company and Business Unit Performance. The corporate component measure in 2012 was based on the operating plan approved by the A&B Predecessor Board of Directors and adjusted by the Compensation Committee after the Separation, to exclude the operations of Matson. The corporate component was weighted 75.5 percent on profit before income tax of A&B Properties and Agribusiness and 24.5 percent on return on invested capital ("ROIC"). ROIC is defined as after-tax income from A&B Properties and Agribusiness operations, adjusted by unplanned pension, postretirement and non-qualified expenses, divided by the sum of average shareholders' equity and average debt for the preceding two years, as adjusted for unplanned changes in comprehensive income due to pension, postretirement and non-qualified plans. Performance goals for the Properties units were weighted 75.5 percent on business unit profit before income tax and 24.5 percent on unit ROIC. The Agribusiness performance goal, such as for Hawaiian Commercial & Sugar Company ("HC&S"), was based 100 percent on profit before income tax. Profit before income tax was selected as a performance component because the Company believes it best reflects the results of business execution and profitability levels. ROIC was chosen as a performance component because it is an important measure in identifying how effectively the Company is investing its capital resources. The Company believes that both performance goals are aligned with shareholder interests.

The annual corporate and business unit targets reflected the Company's Board-approved operating plan. 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 Committee sets performance goal ranges around the target goal. In 2012, the performance range was set at 85 percent at threshold and 115 percent at extraordinary for profit before income tax and at 90 percent at threshold and at 120 percent for ROIC at the extraordinary level for the Company's consolidated performance. The top and bottom of the performance range was determined on the basis of the level of difficulty in achieving the objective as well as ensuring an enduring standard of performance is maintained. For the Properties unit, the performance ranges were set at 85 percent at threshold and 115 percent at extraordinary for profit before income tax and at 90 percent at threshold and at 125 percent for ROIC at the extraordinary level. For the Agribusiness unit, the performance range was set at an average of 59 percent at threshold and 141 percent at extraordinary for profit before income tax, which was the only measure, for the various businesses comprising the Agribusiness unit (HC&S, McBryde Resources, Kahului Trucking & Storage, and Kauai Commercial Company).

Table of Contents

For determination of awards for 2012, the Company's operating performance was compared to the performance goals approved by the Compensation Committee post-Separation. Corporate goals and actual results, excluding costs associated with Separation, were as indicated in the table below. Corporate performance was below Threshold for each NEO.

Corporate Goal	Threshold	Target	Extraordinary	Actual
Profit Before Income Tax	$ 76,755,600	$ 85,284,000	102,340,800	$ 53,262,900
ROIC	3.16%	3.51%	4.56%	2.8%

Business unit goals and actual results, excluding costs associated with Separation, were as indicated in the table below. For the NEOs, only Mr. Benjamin had a Business Unit performance goal, which was below Threshold:

Business Unit Goal	Threshold	Target	Extraordinary	Actual
Properties Profit Before Income Tax	$ 53,677,800	$ 59,642,000	$ 71,570,400	$ 34,084,800
Properties ROIC	3.16%	3.51%	4.56%	2.8%
Agribusiness Profit Before Income Tax	$ 22,998,300	$ 25,642,000	$ 30,929,400	$ 19,178,000

Individual Performance. In addition to corporate and business unit performance goals, each NEO had 30 percent of his or her 2012 award based on achieving individual goals, which are based on the NEO's position in the Company and the activities of the NEO's business unit. Individual goals are approved by the Compensation Committee each year. Performance against individual goals is assessed at threshold, target and extraordinary levels.

NEO	Individual Goals
Mr. Kuriyama	Separation: timely execution, ensuring each stand-alone company is properly organized, staffed, financed, and positioned with shareholders and analysts, to meet its operating and strategic goals, and cost control Strategic growth initiatives: strategic repositioning of commercial property portfolio, building the development pipeline for market recovery, and pursuit of other business acquisition opportunities in Hawaii Core CEO responsibilities: key operating objectives, board of director communications and decision-making, legal and regulatory compliance, relationships with key A&B constituencies, oversight of compensation and risk management programs
Mr. Benjamin	Oversee and de-risk Agribusiness operations Oversee numerous aspects of the Company development projects Find appropriate Section 1031 and Hawaii growth investments Build the development pipeline of real estate projects

	Execute critical steps for Separation and develop appropriate real estate metrics for A&B post-Separation
Mr. Ito	Execute critical steps for Separation, including successful execution of post-Separation financing
	Transition to CFO role upon Separation and assume oversight over treasury, internal audit, tax, and information technology functions, while retaining oversight of financial/accounting reporting and compliance
	Address tax and internal audit department requirements for A&B post-Separation

Table of Contents

NEO	Individual Goals
Mr. Chun	Oversee legal aspects of, and execute critical steps to achieve, Separation Implement the Company's corporate compliance activities Implement significant legal and corporate projects and initiatives, as requested
Ms. Ching	Handle Federal, State and County legislative matters and initiatives in areas of importance to A&B Foster relationships with community and government constituencies important to the Company's business performance Execute critical steps for Separation Oversee efforts to secure necessary water sources for business operations on Maui Undertake special projects, as requested

Each NEO's individual performance rating was between Target and Extraordinary. Actual awards earned versus target averaged about 45% of the overall targeted goal payouts and were as follows:

NEO	Target Award	Actual Award for 2012	% of Base Salary
Mr. Kuriyama	$ 551,250*	$ 248,000	47%
Mr. Benjamin	$ 263,453	$ 102,746	23%
Mr. Ito	$ 180,000	$ 83,025	28%
Mr. Chun	$ 134,709	$ 61,630	21%
Ms. Ching	$ 94,760	$ 53,658	23%

* Mr. Kuriyama's target award was reduced commensurate with his voluntary request to reduce his base salary after Separation.

Post-Separation, with the assistance of Towers Watson, the Compensation Committee evaluated its compensation programs and, beginning in 2013, approved changes to the PIIP as follows:

Individual incentives will be paid out of an incentive pool that is funded according to the performance of the respective unit to which the individual belongs. The three units are: Properties, Agribusiness, and Corporate (includes the Properties and Agribusiness units).

Funding of the incentive pools will be based on attainment of the following performance targets for each unit:

Properties: 50% Pre-Tax Income and 50% Value Creation

Agribusiness: 40% Pre-Tax Income, 20% Sugar Crop Yield, 40% Value Creation

Corporate: 50% Pre-Tax Income and 50% Value Creation

Value Creation encompasses various different activities and initiatives that help the Company over the short or long term to deliver value to its shareholders, such as building the pipeline of development projects, establishing partnerships, establishing strategic joint ventures or alliances, obtaining entitlement and other regulatory approvals for A&B lands, migrating the Mainland income properties to Hawaii, progressing towards a new business model for sugar, etc. It will be evaluated by the CEO at the conclusion of the year and assigned a rating at or between: below threshold, threshold, target, and extraordinary.

Incentive pool funding will be calculated by determining performance against Pre-Tax Income and Sugar Crop Yield goals approved in February (between below threshold, threshold, target,

Table of Contents

and extraordinary) and the assigned ratings for Value Creation. Funding levels can be between 0-200%. The pool will be funded by aggregating the target incentives for each participant and multiplying that sum by the performance ratings for the respective measures of Pre-tax Income, Sugar Crop Yield, and Value Creation, as applicable.

Each individual's actual award may be modified from their target award level according to: a) funding level, and b) by an individual performance modifier (from 0-150%).

The Company believes that the adjusted annual incentive structure will help meet the following objectives:

Better alignment and line of sight with key goals/objectives,

Foster a team environment while allowing for greater flexibility in individual recognition and differentiation, and

Motivate and reward value creation over both the short and long-term.

Equity-Based Compensation: The equity portion of the total compensation program is designed to:

Align management and shareholder interests,

Provide an incentive to increase shareholder value over the longer-term, and

Provide a means to motivate and retain our NEOs.

In 2012, A&B Predecessor granted stock options, time-based restricted stock units and performance-based restricted stock units to the NEOs. Because a financial gain from options is only possible if the price of the Company's stock has increased and because these options vest over a three-year period, these grants encourage actions that focus on increasing A&B's value, and should correspondingly be reflected in A&B's stock price, over an extended time frame. Time-based restricted stock unit grants are intended to focus behaviors on improving long-term stock price performance, increasing share ownership and strengthening retention of participants through a three-year vesting period. Performance-based restricted stock unit grants, which also vest over a three-year period, are intended to focus behaviors on achieving specific performance goals, as well as on achieving the same retention objectives as time-based restricted stock unit grants.

The Company's total direct compensation (the combination of salary, target annual incentives and long-term incentive award opportunities) is generally targeted at or about the 50th percentile of the competitive survey data. For 2012, the Committee granted aggregate long-term incentive awards around the 45th percentile and varied individual awards from below the 25th percentile for the CEO to the 75th percentile based on the individual's personal performance and contributions. Mr. Kuriyama's estimated competitive market percentile was below the 25th percentile due to his personal philosophy and desire for a lower ratio between CEO and other NEO compensation, as previously indicated.

LTI and Total Direct Compensation Positioning for 2012

NEO	Base Salary as of 12/31/12	2012 LTI Grant	Target Total Direct Compensation 12/31/12 (Including Base Salary)	Estimated Competitive Market Percentile
Mr. Kuriyama	$ 525,000	$ 900,000	$ 1,976,250	Below 25th
Mr. Benjamin	$ 439,089	$ 585,000	$ 1,287,542	55th
Mr. Ito	$ 300,000	$ 202,500	$ 682,500	60th
Mr. Chun	$ 299,354	$ 270,000	$ 704,063	60th
Ms. Ching	$ 236,899	$ 202,500	$ 534,159	50th

Table of Contents

Equity-based grants are generally considered and granted annually in January by the Compensation Committee. Based on current market data provided by Towers Watson, the CEO makes recommendations for each executive officer to the Compensation Committee, which retains full discretion to set the grant amount. In determining the type and size of a grant to an executive officer, the Compensation Committee generally considers, among other things:

- Company and individual performance,
- The executive officer's current and expected future contributions to the Company,
- Effect of a potential award on total compensation and pay philosophy,
- Internal pay equity relationships,
- Benchmark data,
- Balance of total compensation components to ensure proper pay-related risk behaviors,
- Economic environment, and
- Size of recent grants.

For 2012, 30 percent of the award value was in stock options, 30 percent was in time-based restricted stock units ("TBRSUs") and 40 percent was in performance-based restricted stock units ("PBRSUs").

For the 2012 PBRSU awards, three levels of performance goals were established based on corporate profit before income tax and return on invested capital (ROIC) goals, as described in the previous "Company and Business Unit Performance" section: threshold, target and extraordinary. If the threshold level is not achieved, the grants are forfeited. Awards are prorated for performance between the threshold, target and extraordinary levels, as applicable. In 2012, the Company's corporate performance was below threshold, as discussed in the previous "Company and Business Unit Performance" section, and resulted in executives earning none of their performance-based shares.

The actual performance level attained for PBRSUs during the 2012 performance period are as follows:

NEO	**PBRSUs (at target)**	**Actual PBRSUs Earned**
Mr. Kuriyama	$ 360,000	0
Mr. Benjamin	$ 234,000	0
Mr. Ito	$ 81,000	0
Mr. Chun	$ 108,000	0
Ms. Ching	$ 81,000	0

Stock Options. Each stock option that was outstanding on Separation and held by any individual who is employed by A&B immediately prior to Separation (each, an "New A&B Employee") was converted into an option to purchase shares of A&B common stock, without any changes to the original terms and conditions of the original option except for appropriate adjustments to the number of shares subject to the option and the exercise price payable per share in order to preserve its intrinsic value immediately following Separation.

Time-Based Restricted Stock Units. Each time-based restricted stock unit held by New A&B Employees on the distribution date was converted into A&B time-based restricted stock units ("New A&B TBRSUs") covering an increased number of New A&B shares in order to preserve the value of the award immediately following Separation, and other than such adjustment, the original terms of such New A&B TBRSUs, including the vesting schedule, remain unchanged.

32

Table of Contents

Performance-Based Restricted Stock Units. The applicable performance period for each of the PBRSUs outstanding upon Separation has ended, and the number of shares of common stock subject to each of those PBRSUs has accordingly been adjusted to reflect the level at which the applicable performance goals were in fact attained. As a result, each of those pre-2012 PBRSUs is now subject solely to the service-vesting schedule in effect for that award and was treated in Separation in the same manner as indicated above for time-based RSUs.

Continued Vesting. The service-vesting requirements in effect for each A&B Predecessor award were unchanged in connection with Separation and will be measured in terms of both service prior to Separation and continued service with A&B immediately after Separation.

Changes to Equity-based Compensation: As previously discussed, the Compensation Committee approved certain changes to the Company's incentive programs to better meet the Company's compensation objectives, post-Separation. In 2013, the Company issued equity awards with a mix of 50% PSUs and 50% TBRSUs. There is no present intent to grant stock options as part of the Company's equity award package. For long-term incentives awarded in equity, the Company introduced a new form of performance-based equity in the form of performance share units ("PSUs"). PSUs have both a performance-vesting and a service-vesting requirement. The performance-vesting requirement is based on the Company's total shareholder return ("TSR") results relative to the TSR of the Standard & Poor's Midcap 400 index over a two-year period. Under the service-vesting requirement, recipients must remain employed until the end of the two-year performance period in order to vest in any shares that become issuable on the basis of the TSR results for that period. (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 pro-ration to be applied to the number of shares resulting from the Company's relative TSR performance period.) PSUs will be settled in shares of A&B stock.

Provided the service-vesting requirement is satisfied, a portion of PSUs will vest if the Company's two-year TSR results are at the 35^{th} percentile of the S&P Midcap 400 index, and the PSUs will be fully vested (at target) if the Company's two-year TSR is at the 55^{th} percentile of the S&P Midcap 400 index. Additional PSUs may be earned for two-year TSR performance levels above the 55^{th} percentile, up to a maximum of 150% of the PSUs granted at the beginning of the performance period.

In addition to PSUs, the Company continues to use TBRSUs, which have a three year vesting period, vesting one-third each year.

In line with the Committee's intent to support a pay for performance philosophy, the January 2013 target equity award opportunity levels as determined by the Committee were, with the exception of Mr. Kuriyama, at the 60^{th} percentile or higher (below the 25^{th} percentile for Mr. Kuriyama; the 60^{th} percentile for Mr. Benjamin; the 60^{th} percentile for Mr. Ito; the 75^{th} percentile for Mr. Chun; and the 75^{th} percentile for Ms. Ching). In light of the continued challenging operating environment for the Company and in line with the CEO's personal philosophy on the ratio of CEO pay to the pay levels of the other NEOs, Mr. Kuriyama requested that the Committee again cap his equity award grant below the 25^{th} percentile and below last year's award.

The Company believes that the adjusted annual incentive structure will help meet the following objectives:

- Better alignment with shareholders' interests
- Motivate and reward value creation over multiple performance periods
- Provide strong retention incentive for participants

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.

Table of Contents

A&B Retirement Plan for Salaried Employees: 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. These employees participate in the Company's cash balance defined benefit pension plan, in which participants accrue 5% of their eligible annual compensation under a cash balance formula. Effective January 1, 2012, the Company froze benefit accruals under its traditional defined benefit plans for non-bargaining unit employees hired before January 1, 2008 and replaced the benefit with the cash balance formula mentioned above.

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 that provides for performance-based discretionary contributions to participants based on the degree of achievement of income before taxes as established in A&B Predecessor's 2012 operating plan and adjusted by the Compensation Committee post-Separation to reflect A&B's real estate and agribusiness 2012 operating plan goals. In 2012, available contributions were set between zero and three percent of each employee's base salary. There was no profit-sharing contribution for 2012 based on the Company's below-threshold performance for its profit before income tax goal. The A&B Profit Sharing Retirement Plan also provides a discretionary match under the Individual Deferred Compensation (401(k)) component of the plan, available to all salaried non-bargaining unit employees that in 2012 provided for a match of up to three percent of the compensation deferred by a participant during the fiscal year. The value of the Company's 2012 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. 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 plans formulas due to the limits imposed by tax law. A&B Predecessor also froze the pension benefits under the Excess Benefits Plan that had accumulated as of December 31, 2011 pursuant to the traditional defined benefit formula and implemented the cash balance formula for eligible employees beginning January 1, 2012. All NEOs are eligible to participate in the Excess Benefits Plan.

No Perquisites: The Company has no NEO perquisites, with the exception of Company-provided parking in its downtown building, which is provided at no additional cost to A&B.

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 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. These benefits aid in retaining long-term service employees and provide for health care costs in retirement. The Company limits its contribution towards

Table of Contents

the monthly premium, based on the employee's age and years of service. The benefits from this plan are reflected in the "Other Potential Post-Employment Payments" section of this Proxy Statement.

The Role of Survey Data

The Company uses published 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 is specific to any individual segment of the Company's business but instead, based on the recommendation of Towers Watson, uses data from six 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. Towers Watson 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 Towers Watson in their assessment of total direct compensation and CEO pay ratio as compared to other NEOs include:

- Towers Watson 2012 CDB General Industry Executive Database,
- Towers Watson 2012 CSR Top Management Compensation Survey,
- Towers Watson 2012 Long-term Incentives, Policies and Practices Survey,
- Hay General Market 2012 Executive Compensation Survey,
- Mercer 2012 U.S. Benchmark Database Executive Compensation Survey, and
- National Association for Real Estate Investment Trust (NAREIT) 2012 Compensation Survey.

The Role of the Compensation Consultant

After conducting a search, the Compensation Committee has selected and directly retained Towers Watson, 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, and
- Assessing appropriate outside Board of Director pay levels and structuring.

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

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, and

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

Table of Contents

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

Towers Watson 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 Towers Watson may provide to the Company;
- The individuals providing consulting services to the Committee are not directly compensated for the total revenues that Towers Watson generates from the Company;
- Towers Watson's executive compensation consultants do not hold an equity stake in the Company;
- Other services, if any, are provided under a separate contractual arrangement;
- Towers Watson's executive compensation consultants do not serve as Towers Watson's client relationship manager on services provided to the Company;
- The Towers Watson executive compensation consultants have direct access to all members of the Committee during and between meetings; and
- Towers Watson consultants are required to adhere to a stringent code of conduct articulating their commitment to impartial advice.

The Compensation Committee has reviewed Towers Watson's work, policies and procedures and determined that no conflicts of interest exist.

The Role of Management

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 establishing individual performance goals that are consistent with the Board-approved operating plans and the Company's strategic plan,
- Providing the data used to measure performance against established goals, with the CEO providing perspective on individual executive performance and compensation amounts, and
- Providing recommendations, based on information provided by Towers Watson, 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 compensation structure, the Compensation Committee considers tax and accounting treatment, balancing the effects on the individual and the Company. Section 162(m) of the Internal Revenue Code limits the tax deductibility of certain executive compensation in excess of $1,000,000 for any fiscal year, except for certain "performance-based compensation." However, in establishing the cash and equity incentive compensation programs for the executive officers, 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. 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.

Table of Contents

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 two years and six months from Separation or within a five-year period after a change in salary based on promotion:

Position	Salary Multiple
CEO	5X
Other NEOs	3X

All NEOs, have met, exceeded, or are on track to meet, the ownership guidelines.

Equity Granting Policy

Equity awards are expected to be granted for current employees at the same time of year at the January Compensation Committee meeting. 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. The exercise price for stock option grants under the 2012 Plan is the closing price on the date of grant, as specified by the 2012 Plan.

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 such 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.

Compensation Committee Report

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 Mr. King (Chairman), Ms. Saito and Mr. Yeaman.

Compensation Committee Interlocks and Insider Participation

During 2012, the members of the Compensation Committee were Mr. King, Chairman, Ms. Saito and Mr. Yeaman. As set forth above under the subsection "Certain Relationships and Transactions," Mr. Yeaman is an executive officer in a corporation that contracted with a limited liability company ("LLC") in which a subsidiary of A&B is a member to provide cable and internet service to a condominium project being developed by the LLC, and because of this related party transaction, Mr. Yeaman did not participate in any equity decisions.

Table of Contents

Summary Compensation Table

The following table summarizes the compensation paid by A&B to its NEOs in 2012, 2011 and 2010. The information presented reflects compensation paid by A&B Predecessor prior to the Separation from A&B Predecessor on June 29, 2012 and by A&B after Separation.

2012 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(6)	Option Awards ($)(7)	Non-Equity Incentive Plan Compensation ($)(8)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(9)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Stanley M. Kuriyama	2012	581,601		629,966	270,004	248,000	563,889	7,500(10)	2,300,960
Chairman of the Board and Chief	2011	628,838		700,014	299,997	171,032	535,981	7,350	2,343,212
Executive Officer of A&B(1)	2010	615,000		1,050,003	545,959	633,450	830,700		3,675,112
Christopher J. Benjamin	2012	437,467		409,490	175,502	102,746	317,155	7,087(10)	1,449,447
President and Chief Operating	2011	429,450		454,975	195,000	304,875	263,880	7,350	1,655,530
Officer of A&B; President of A & B Properties, Inc.(2)	2010	408,750		350,012	181,988	477,423	271,120	200	1,689,493
Paul K. Ito	2012	275,850		141,771	60,745	83,025	77,473	7,500(10)	646,364
Senior Vice President, Chief Financial Officer, Controller and Treasurer of A&B(3)	2011	248,008		157,482	67,498	48,717	80,776	6,191	608,672
Nelson N. S. Chun	2012	298,248		189,013	81,001	61,630	131,869	7,500(10)	769,261
Senior Vice President, Chief	2011	292,782		209,976	90,003	59,722	185,084	7,350	844,917
Legal Officer of A&B(4)	2010	284,255		174,973	90,994	247,066	169,739	200	967,227
Meredith J. Ching Senior Vice President, Government & Community Relations, of A&B(5)	2012	223,268		141,771	60,745	53,658	270,013	6,379(10)	755,834

(1) Mr. Kuriyama was appointed Chairman of the Board and CEO of A&B on June 26, 2012. He was President and Chief Executive Officer of A&B Predecessor from January 1, 2010 to June 26, 2012.

(2) Mr. Benjamin was appointed President and Chief Operating Officer of A&B on June 26, 2012. He was appointed President of A&B Land Group and President of A & B Properties, Inc., effective September 1, 2011. He had been Senior Vice President, Chief Financial Officer and Treasurer of A&B Predecessor since 2006 and General Manager of HC&S from March 9, 2009 to March 2011.

(3) Mr. Ito was appointed Senior Vice President, Chief Financial Officer, Controller and Treasurer of A&B on June 26, 2012. He was Vice President, Controller of A&B Predecessor from April 2007 to June 26, 2012 and Controller of A&B Predecessor from May 2006 to April 2012.

(4) Mr. Chun was appointed Senior Vice President and Chief Legal Officer of A&B on June 26, 2012. He was Senior Vice President and Chief Legal Officer of A&B Predecessor from July 2005 to June 26, 2012.

(5) Ms. Ching was appointed Senior Vice President, Government & Community Relations, of A&B on June 26, 2012. She was Senior Vice President, Government & Community Relations, of A&B Predecessor from June 2007 to June 26, 2012.

(6) Represents the grant-date fair value of time-based restricted stock units and the grant-date fair value of performance-based restricted stock units (assuming the target level of performance is attained) for the fiscal year identified in column (b). If maximum performance goals applicable to performance-based restricted stock units granted in 2012 had been achieved, the values in this column with respect to 2012 would be as follows: Mr. Kuriyama, $719,961; Mr. Benjamin, $467,975; Mr. Ito, $162,038, Mr. Chun, $215,988 and Ms. Ching, $162,038. In fact, however, none of the performance-based restricted stock units (representing 57% of the amount reflected in column (e)), was achieved in 2012.

(7) Represents the grant-date fair value of options granted for the fiscal year identified in column (b) based on their Black-Scholes value on the date of grant. See Note 12 of the consolidated financial statements of the Company's 2012 Annual Report on Form 10-K regarding the assumptions underlying the valuation of equity awards.

(8) Represents the NEO's award under the PIIP program for the fiscal year identified in column (b) payable in cash in January of the following year.

(9) 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.

(10) Represents amounts contributed by A&B to the A&B Individual Deferred Compensation and Profit Sharing Plan.

Table of Contents

Grants of Plan-Based Awards

The following table contains information concerning the equity and non-equity grants under A&B's incentive plans during 2012 to the NEOs.

2012 GRANTS OF PLAN-BASED AWARDS

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)(3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards ($/Sh)(5)	Grant Date Fair Value of Stock and Option Awards ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Stanley M. Kuriyama	1/25/12	275,625	551,250	1,102,500	7,986	15,971	31,942	11,978	51,608	22.54	899,970
Christopher J. Benjamin	1/25/12	131,727	263,453	526,906	5,191	10,381	20,762	7,786	33,545	22.54	584,992
Paul K. Ito	1/25/12	90,000	180,000	360,000	1,797	3,594	7,188	2,695	11,610	22.54	202,516
Nelson N. S. Chun	1/25/12	67,355	134,709	269,418	2,396	4,791	9,582	3,594	15,482	22.54	270,014
Meredith J. Ching	1/25/12	47,380	94,760	189,520	1,797	3,594	7,188	2,695	11,610	22.54	202,516

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

(2) Amounts in this section reflect performance-based restricted stock unit grants. Performance-based units were not earned based on below threshold performance in 2012.

(3) Amounts in this section reflect time-based restricted stock unit grants awarded before the Separation, which were adjusted in connection with the Separation using a factor of 2.05 multiplied by the original number of units granted.

(4) Amounts in this section reflect the number of non-qualified stock options awarded before the Separation, which were adjusted in connection with the Separation using a factor of 2.05 multiplied by the original number of options granted.

(5) Based upon the closing price of pre-Separation A&B common stock of $46.27 on the date of grant, as adjusted in connection with the Separation.

The PIIP is based on corporate, business unit and individual goals, depending on the executive's job responsibilities. Performance measures, weighting of goals and target opportunities are discussed in the CD&A section of this Proxy Statement.

Under the 2012 Plan, the Company has issued stock options that vest in equal increments over three years and have a maximum term of 10 years. They continue to vest and are exercisable for three years after disability, normal retirement at 65 or approved early retirement at 55 (with five years of service). Vesting automatically accelerates in the event of death and the executive's personal representative has up to 12 months to exercise the stock options. Stock options automatically vest either (1) immediately prior to the specified effective date of a Change in Control and remain exercisable up to the consummation of the event unless assumed by the successor corporation under options converted from A&B Predecessor's 1998 Stock Option/Stock Incentive Plan ("1998 Plan") or (2) on the specified effective date of a Change in Control if the participant is involuntarily terminated or awards are not assumed or replaced by the successor company. If an employee is terminated due to misconduct or engages in conduct considered materially detrimental to the business, then the option terminates immediately. Under the 1998 Plan, if an employee who has been designated a Section 16 officer (which includes all NEOs) ceases to be employed for any other reason the option may be exercised within six months of termination to the degree vested at the time of termination. Under the 2012 Plan, if an employee ceases to be employed for any other reason the option may be exercised within three months of termination to the degree vested at the time of termination. Stock options cannot be repriced under either Plan without shareholder approval.

Under the 2012 Plan, the Company has issued time-based restricted stock units that vest in equal increments over three years. Time-based restricted stock units that are unvested will automatically vest

Table of Contents

upon death or permanent disability. Time-based restricted stock units will partially vest on a prorated basis upon normal retirement at 65 or approved early retirement at 55 (with five years of service). Upon the effective date of any change in control, any unvested restricted share units automatically vest if the participant is involuntarily terminated or awards are not assumed or replaced by the successor company.

Under the 2012 Plan, the Company has issued performance-based restricted stock units that vest at the end of one year and the number of shares that vest is determined on the basis of achieving pre-established corporate profit before income tax goals set at target, threshold and extraordinary performance goal levels. Grants of performance-based restricted stock units include a ROIC measure weighted 35 percent, with pretax income goals weighted 65 percent. Actual performance at the target level results in earning 100 percent of the target award units. Actual performance at the threshold level results in earning 50 percent of the target award units. Actual performance below the threshold level results in no awards earned. Actual performance at the extraordinary level results in earning the maximum number of units equal to 200 percent of the target number of units. For actual performance between threshold, target and extraordinary, awards are determined on a prorated basis. If participants receiving a performance-based restricted stock grant terminate employment prior to vesting for any reason other than death, permanent disability, normal retirement or approved early retirement, their awards will not vest. If a participant terminates due to death, permanent disability, normal retirement or approved early retirement, his or her award will be prorated on the basis of the number of full or partial months employed and the amount paid at the end of the performance period. If there is a change in control, any unvested performance-based restricted share units automatically vest if the participant is involuntarily terminated or awards are not assumed or replaced by the successor company.

Under the 2012 Plan, grantees receive dividends on the full amount of restricted stock units granted, regardless of vesting, at the same rate as is payable on the Company's common stock. However, for grants made on or after January 2010 by A&B Predecessor, payment of accrued dividend equivalents on performance-based restricted stock units awards will be made upon attainment of the applicable performance goals and will be paid retroactively and prospectively according to the number of actual shares earned.

Table of Contents

Outstanding Equity Awards at Fiscal Year-End

The following table contains information concerning the outstanding equity awards owned by the NEOs.

2012 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)(15)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Stanley M. Kuriyama	62,406			16.33	2/24/2014	56,278(10)	1,652,885		
	28,945			21.66	1/25/2015				
	25,865			25.59	1/24/2016				
	39,810			23.48	1/23/2017				
	69,447			22.11	1/29/2018				
	117,828			11.37	1/27/2019				
	113,208	56,605(1)		16.09	1/26/2020				
	23,013	46,028(2)		19.80	1/25/2021				
		51,608(3)		22.54	1/24/2022				
Christopher J. Benjamin	16,847			23.48	1/23/2017	25,753(11)	756,366		
	27,086			22.11	1/29/2018				
	30,000			11.37	1/27/2019				
	37,736	18,869(1)		16.09	1/26/2020				
	4,959	29,918(4)		19.80	1/25/2021				
		33,545(5)		22.54	1/24/2022				
Paul K. Ito	2,258			25.59	1/24/2016	9,529(12)	279,867		
	3,695			20.58	6/20/2016				
	6,634			23.48	1/23/2017				
	13,021			22.11	1/29/2018				
	6,546			11.37	1/27/2019				
	15,093	7,547(1)		16.09	1/26/2020				
	5,177	10,356(6)		19.80	1/25/2021				
		11,610(7)		22.54	1/24/2022				
Nelson N.S. Chun	7,184			21.66	1/25/2015	12,326(13)	362,015		
	8,621			25.59	1/24/2016				
	15,923			23.48	1/23/2017				
	26,042			22.11	1/29/2018				
		9,434(1)		16.09	1/26/2020				
	6,904	13,809(8)		19.80	1/25/2021				
		15,482(9)		22.54	1/24/2022				
Meredith J. Ching									

15,396		16.33	2/24/2014	8,959(14)	263,126
5,747		21.66	1/25/2015		
6,569		25.59	1/24/2016		
7,962		23.48	1/23/2017		
13,021		22.11	1/29/2018		
16,365		11.37	1/27/2019		
13,207	6,604(1)	16.09	1/26/2020		
5,177	10,356(6)	19.80	1/25/2021		
	11,610(7)	22.54	1/24/2022		

FOOTNOTES:

(1) Vesting date of unexercised options 1/27/13

(2) Vesting date of unexercised options 23,014 shares each on 1/26/13 and 1/26/14

(3) Vesting date of unexercised options 17,202 shares on 1/25/13 and 17,203 shares each on 1/25/14 and 1/25/15

(4) Vesting date of unexercised options 14,959 shares each on 1/26/13 and 1/26/14

(5) Vesting date of unexercised options 11,181 shares on 1/25/13 and 11,182 shares each on 1/25/14 and 1/25/15

(6) Vesting date of unexercised options 5,178 shares each on 1/26/13 and 1/26/14

(7) Vesting date of unexercised options 3,870 shares each on 1/25/13, 1/25/14 and 1/25/15

(8) Vesting date of unexercised options 6,904 shares on 1/26/13 and 6,905 shares on 1/26/14

Table of Contents

(9) Vesting date of unexercised options 5,160 shares on 1/25/13 and 5,161 shares each on 1/25/14 and 1/25/15

(10) Vesting date of unrestricted stock 9,326 shares on 1/27/13; 5,052 shares on 1/26/13 and 5,054 shares on 1/26/14; 3,992 shares on 1/25/13 and 3,993 shares each on 1/25/14 and 1/25/15. Includes Performance-based units earned as stock grants at 200% based on corporate performance at extraordinary for 2010: 24,868 shares on 1/27/13.

(11) Vesting date of unrestricted stock 3,110 shares on 1/27/13; 3,284 shares on 1/26/13 and 3,285 shares on 1/26/14; 2,595 shares each on 1/25/13 and 1/25/14 and 2,596 shares on 1/25/15. Includes Performance-based units earned as stock grants at 200% based on corporate performance at extraordinary for 2010: 8,288 shares on 1/27/13.

(12) Vesting date of unrestricted stock 1,244 shares on 1/27/13; 1,137 shares each on 1/26/13 and 1/26/14; 898 shares each on 1/25/13 and 1/25/14 and 899 shares on 1/25/15. Includes Performance-based units earned as stock grants at 200% based on corporate performance at extraordinary for 2010: 3,316 shares on 1/27/13.

(13) Vesting date of unrestricted stock 1,554 shares on 1/27/13; 1,514 shares on 1/26/13 and 1,518 shares on 1/26/14; 1,198 shares each on 1/25/13, 1/25/14 and 1/25/15. Includes Performance-based units earned as stock grants at 200% based on corporate performance at extraordinary for 2010: 4,146 shares on 1/27/13.

(14) Vesting date of unrestricted stock 1,088 shares on 1/27/13; 1,137 shares each on 1/26/13 and 1/26/14; 898 shares each on 1/25/13 and 1/25/14 and 899 shares on 1/25/15. Includes Performance-based units earned as stock grants at 200% based on corporate performance at extraordinary for 2010: 2,902 shares on 1/27/13.

Option Exercises and Stock Vested

The following table contains information concerning option exercises and stock awards for the NEOs.

OPTION EXERCISES AND STOCK VESTED FOR 2012

	OPTION AWARDS		STOCK AWARDS	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**
Stanley M. Kuriyama	51,321	833,966	23,618	1,107,615
Christopher J. Benjamin	129,267	1,314,214	9,526	446,608
Paul K. Ito			3,525	165,271
Nelson N. S. Chun	36,635	780,039	4,763	223,318
Meredith J. Ching	12,317	207,849	3,122	146,363

All of the shares acquired by Mr. Kuriyama upon exercise of his options, were for options that were set to expire in January 2013. 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.

Table of Contents

Pension Benefits

The following table contains information concerning pension benefits for the NEOs at the end of 2012.

PENSION BENEFITS FOR 2012

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit ($) (d)	Payments During Last Fiscal Year ($) (e)
Stanley M. Kuriyama	A&B Retirement Plan for Salaried Employees	21.0	1,021,289	
	A&B Excess Benefits Plan	21.0	3,150,323	
Christopher J. Benjamin	A&B Retirement Plan for Salaried Employees			