

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information										
1a Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MATSON</u> 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>MATSON NAVIGATION COMPANY, INC.</u> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <u>555 12TH STREET</u> <u>OAKLAND, CA 94607</u> </div> <div style="width: 45%;"> <u>555 12TH STREET</u> <u>OAKLAND, CA 94607</u> </div> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>014</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1951</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>94-0662400</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>808-525-8495</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>483000</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>014</u>	1c Effective date of plan <u>07/01/1951</u>		2b Employer Identification Number (EIN) <u>94-0662400</u>		2c Sponsor's telephone number <u>808-525-8495</u>		2d Business code (see instructions) <u>483000</u>	
1b Three-digit plan number (PN) ▶	<u>014</u>										
1c Effective date of plan <u>07/01/1951</u>											
2b Employer Identification Number (EIN) <u>94-0662400</u>											
2c Sponsor's telephone number <u>808-525-8495</u>											
2d Business code (see instructions) <u>483000</u>											

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	MARY NGAI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ALEXANDER & BALDWIN, INC. EMPLOYEE BENEFITS ADM COMM 822 BISHOP STREET HONOLULU, HI 96813-3924	3b Administrator's EIN 99-0032630 3c Administrator's telephone number 808-525-8495
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1699
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	599
b Retired or separated participants receiving benefits.....	6b	645
c Other retired or separated participants entitled to future benefits.....	6c	455
d Subtotal. Add lines 6a , 6b , and 6c	6d	1699
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	
f Total. Add lines 6d and 6e	6f	1699
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	5

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MATSON</u>	B Three-digit plan number (PN) ▶ <u>014</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MATSON NAVIGATION COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>94-0662400</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information	
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>		
2 Assets:		
a Market value	2a <u>127088876</u>	
b Actuarial value	2b <u>139797763</u>	
3 Funding target/participant count breakdown		
	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>637</u>	<u>82811243</u>
b For terminated vested participants	3b <u>465</u>	<u>21591198</u>
c For active participants:		
(1) Non-vested benefits	3c(1)	<u>1870588</u>
(2) Vested benefits	3c(2)	<u>40905303</u>
(3) Total active	3c(3) <u>601</u>	<u>42775891</u>
d Total	3d <u>1703</u>	<u>147178332</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐	
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	<u>6.66 %</u>
6 Target normal cost	6	<u>4391788</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>10/04/2011</u>
Signature of actuary <u>JENNIFER S.J. LUM-OTA, FSA,EA,MAAA</u>	Date <u>08-04070</u>
Type or print name of actuary <u>BUCK CONSULTANTS, LLC</u>	Most recent enrollment number <u>808-533-6002</u>
Firm name <u>1001 BISHOP ST., SUITE 700</u> <u>HONOLULU, HI 96813-3696</u>	Telephone number (including area code)
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	1	0
10	Interest on item 9 using prior year's actual return of <u>15.97</u> %	0	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		5202250
b	Interest on (a) using prior year's effective rate of <u>8.19</u> %		426064
c	Total available at beginning of current plan year to add to prefunding balance		5628314
d	Portion of (c) to be added to prefunding balance.....		5628314
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	1	5628314

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	91.16 %
15	Adjusted funding target attainment percentage.....	15	91.16 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	104.12 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls		
18	Contributions made to the plan for the plan year by employer(s) and employees:		
	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
	Totals ▶	18(b)	18(c)

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0
20	Quarterly contributions and liquidity shortfalls:		
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c	If 20a is "Yes," see instructions and complete the following table as applicable:		
	Liquidity shortfall as of end of Quarter of this plan year		
	(1) 1st	(2) 2nd	(3) 3rd
	0	0	0
			(4) 4th
			0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	4391788
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	7121751	1198534
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	5590322
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1	5590321
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	0
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MATSON	B Three-digit plan number (PN) ►	014
C Plan sponsor's name as shown on line 2a of Form 5500 MATSON NAVIGATION COMPANY, INC.	D Employer Identification Number (EIN) 94-0662400	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	5949080	
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	121460562	135776118
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	127409642	135776118

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	127409642	135776118
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		17257564
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		17257564

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	8891088	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		8891088
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		8891088

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		8366476
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: DELOITTE & TOUCHE, LLP

(2) EIN: 13-3891517

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MATSON		B Three-digit plan number (PN) ► 014
C Plan sponsor's name as shown on line 2a of Form 5500 MATSON NAVIGATION COMPANY, INC.		D Employer Identification Number (EIN) 94-0662400
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 99-0268171 22-1216770		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3 0
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2010 v.092308.1		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 72% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: 28%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Retirement Plan for Employees of Matson

Employer ID No: 94-0662400
Plan Number: 011

Financial Statements as of and for the
Years Ended December 31, 2010 and 2009,
and Independent Auditors' Report

RETIREMENT PLAN FOR EMPLOYEES OF MATSON

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NOTE: All schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee and
the Investment Committee of
the Retirement Plan for Employees of Matson:

We were engaged to audit the financial statements of the Retirement Plan for Employees of Matson (the "Plan") as of December 31, 2010 and 2009, and for the year then ended, listed in the Table of Contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by First Hawaiian Bank, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the trustee that the information as of and for the years ended December 31, 2010 and 2009, provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and we do not express, an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Deloitte + Touche LLP

October 14, 2011

RETIREMENT PLAN FOR EMPLOYEES OF MATSON

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2010 AND 2009

	2010	2009
INVESTMENTS — Investment in Master Trust	\$ 135,776,118	\$ 121,460,562
RECEIVABLES — Contribution receivable from employer	<u> </u>	<u>5,949,080</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 135,776,118</u></u>	<u><u>\$ 127,409,642</u></u>

See notes to financial statements.

RETIREMENT PLAN FOR EMPLOYEES OF MATSON

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2010

	2010
ADDITIONS:	
Appreciation from investment in Master Trust	\$ 17,257,564
DEDUCTIONS — Benefit payments	<u>(8,891,088)</u>
NET INCREASE	8,366,476
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	<u>127,409,642</u>
End of year	<u><u>\$ 135,776,118</u></u>

See notes to financial statements.

RETIREMENT PLAN FOR EMPLOYEES OF MATSON

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

1. PLAN DESCRIPTION

The following brief description of the Retirement Plan for Employees of Matson (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan is a defined benefit pension plan covering employees of Matson Navigation Company, Inc., Matson Terminals, Inc., Matson Freight Agencies, Inc., Matson Services Company, Inc., Matson Intermodal System, Inc., Matson Leasing Company, Inc., and Matson Logistics Solutions, Inc. of Alexander & Baldwin, Inc. (the “Company”). The Retirement Committee of the Board of Directors of the Company controls and manages the operation and administration of the Plan. First Hawaiian Bank (the “Trustee”) serves as the trustee of the Plan, and together with several investment managers, manages the Plan’s investments. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Pension Benefits — Employees become eligible to participate in the Plan after one year of service. The Plan is noncontributory. Normal retirement age is 65 (62 using the stevedore formula). There are provisions for early and postponed retirement with relative adjustments in benefits. Normal retirement benefits are based on years of service and compensation with various maximum and minimum levels. Employees become fully vested after five years of service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties — The Plan’s investment in the Alexander & Baldwin Pension Master Trust (the “Master Trust”) utilizes various investment securities, including common stocks, equity and fixed-income mutual funds, money market funds, limited partnership interests, and unallocated insurance contracts. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Valuation of Investment in Master Trust — The Plan’s investment in the Master Trust is stated at fair value, which has been determined based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, of the Master Trust. See Note 5 for description of valuation methods. Net appreciation includes the Plan’s gains and losses on investment bought and sold as well as held during the year.

Expenses — Administrative expenses of the Plan are paid by the Master Trust, as provided in the Plan document.

Payment of Benefits — Benefit payments to participants are recorded upon distribution.

Subsequent Events — For the year ended December 31, 2010, subsequent events were evaluated through October 14, 2011, the date the financial statements were available to be issued.

New Accounting Standards Adopted

ASU No. 2010-06, Fair Value Measurements and Disclosures — In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, *Improving Disclosures about Fair Value Measurements and Disclosures*, which amends ASC 820, *Fair Value Measurements and Disclosures*, adding new disclosure requirements for Levels 1 and 2, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. ASU No. 2010-06 is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The Plan prospectively adopted the new guidance in 2010, except for the Level 3 reconciliation disclosures, which are required in 2011. The adoption in 2010 did not materially affect, and the future adoption is not expected to materially affect, the Plan's financial statement.

ASU No. 2011-04 — In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*, which amends ASC 820, *Fair Value Measurement*. This ASU also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. The adoption will not have a material effect on the statement of net assets available for benefits and statement of changes in net assets available for benefits. Plan management has not determined the impact on the disclosures in the financial statements.

3. FUNDING POLICY

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan in amounts as determined by the Plan's independent actuary. The Company met the minimum funding requirements of ERISA for the years ended December 31, 2010.

4. INVESTMENT IN MASTER TRUST

The Plan's investment assets are held in a trust account by the Trustee, and consist of an undivided interest in an investment account of the Master Trust, a master trust established by the Company and administered by the Trustee. Use of the Master Trust permits the commingling of trust assets with the assets of the Company's various pension plans for investment and administrative purposes. Although assets of multiple plans are commingled in the Master Trust, the Trustee maintains supporting records for the purpose of allocating the net gain or loss of the investment account to the participating plans. The net investment income of the investment assets is allocated by the Trustee to each participating plan based on the relationship of the interest of each plan to the total of the interests of the participating plans.

The investments of the Master Trust at December 31, 2010 and 2009, are presented in the following table:

	2010	2009
Investments — at fair value:		
Common stocks	\$ 206,660,112	\$ 186,923,462
Equity and fixed income mutual funds	45,234,091	39,378,919
Money market funds	17,131,019	6,949,658
Limited partnership interests	14,882,548	25,498,427
Unallocated insurance contracts:		
Separate accounts		
General accounts	<u>1,321,818</u>	<u>1,320,819</u>
Total investments	285,229,588	260,071,285
Receivables — securities sold and accrued income	<u>525,305</u>	<u>510,269</u>
Total assets	285,754,893	260,581,554
Payable for securities purchased	<u>(456,732)</u>	<u>(328,715)</u>
Net assets of the Master Trust	<u>\$ 285,298,161</u>	<u>\$ 260,252,839</u>
Plan's interest in net assets of the Master Trust	<u>\$ 135,776,118</u>	<u>\$ 121,460,562</u>
Plan's interest in the Master Trust as a percentage of the total	<u>48 %</u>	<u>47 %</u>

The net investment income (including gains and losses on investments bought and sold, as well as held during the year) of the Master Trust for the year ended December 31, 2010 and 2009, is summarized below:

Interest and dividends	<u>\$ 9,155,120</u>
Net appreciation (depreciation) in investments:	
At fair value:	
Common stocks	24,679,837
Fixed income securities	4,574,776
Other types of investments	<u>1,691,880</u>
	<u>30,946,493</u>
Net investment income of Master Trust	<u>\$40,101,613</u>

5. FAIR VALUE MEASUREMENTS

In accordance with GAAP, the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following table sets forth by level within the fair value hierarchy a summary of the Master Trust's investments measured at fair value on a recurring basis at December 31, 2010 and 2009.

Master Trust Assets				
Fair Value Measurements at December 31, 2010				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 17,131,019	\$	\$	\$ 17,131,019
Equity securities:				
U.S. large cap	136,196,287			136,196,287
U.S. mid/small cap	39,784,065			39,784,065
International large cap	30,679,760			30,679,760
Fixed-income securities:				
U.S. treasuries		1,148,629		1,148,629
Municipal bonds		238,806		238,806
Investment grade U.S. Bond		2,746,453		2,746,453
High-yield U.S. corp. bonds		8,016,165		8,016,165
Mortgage-backed securities		33,084,038		33,084,038
Other types of investments:				
Real estate partnerships			12,781,094	12,781,094
Private equity partnerships			2,101,454	2,101,454
Insurance contracts			1,321,818	1,321,818
Total investments	<u>\$ 223,791,131</u>	<u>\$ 45,234,091</u>	<u>\$ 16,204,366</u>	<u>\$ 285,229,588</u>

Master Trust Assets				
Fair Value Measurements at December 31, 2009				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 6,949,658	\$ -	\$ -	\$ 6,949,658
Equity securities:				
U.S. large cap	121,911,453			121,911,453
U.S. mid/small cap	34,448,817			34,448,817
International large cap	30,563,192			30,563,192
Fixed-income securities:				
U.S. treasuries		642,989		642,989
Municipal bonds		226,634		226,634
Investment grade U.S. bond		1,994,536		1,994,536
High yield U.S. corp. bonds		8,246,044		8,246,044
Mortgage-backed securities		28,268,716		28,268,716
Other types of investments:				
Real estate partnerships			22,316,784	22,316,784
Private equity partnerships			3,181,643	3,181,643
Insurance contracts			1,320,819	1,320,819
Total investments	<u>\$ 193,873,120</u>	<u>\$ 39,378,919</u>	<u>\$ 26,819,246</u>	<u>\$ 260,071,285</u>

For the year ended December 31, 2010, there were no significant transfers in and out of Level 1, 2, and 3.

The following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) for the years ended December 31, 2010 and 2009 as follows:

	Master Trust Assets				
	Equity and Fixed Income Funds	Limited Partnership Interests	Unallocated Insurance Contracts	Real Estate Partnerships	Total
Ending balance — January 1, 2009	\$ 39,306,780	\$ 9,420,331	\$15,716,303	\$ -	\$ 64,443,414
Unrealized loss	(8,442,152)	(381,239)	(6,293,563)		(15,116,954)
Transfers	(14,214,864)	(5,857,449)	(8,101,921)	22,316,784	(5,857,450)
Realized gain	252,644				252,644
Purchases, issuances, and settlements	<u>(16,902,408)</u>				<u>(16,902,408)</u>
Ending balance — December 31, 2009	-	3,181,643	1,320,819	22,316,784	26,819,246
Unrealized gain			999	3,187,363	3,188,362
Realized loss				(1,496,482)	(1,496,482)
Purchases, issuances, and settlements		<u>(1,080,189)</u>		<u>(11,226,571)</u>	<u>(12,306,760)</u>
Ending balance — December 31, 2010	<u>\$ -</u>	<u>\$ 2,101,454</u>	<u>\$ 1,321,818</u>	<u>\$ 12,781,094</u>	<u>\$ 16,204,366</u>

The Plan's investment in the Alexander & Baldwin, Inc. Pension Master Trust is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust.

Equity Securities: Domestic and international common stocks are valued by obtaining quoted prices on recognized and highly liquid exchanges.

Fixed Income Securities: Corporate bonds and U.S. government treasury and agency securities are valued based upon the closing price reported in the active market in which the security is traded. U.S. government agency and corporate asset-backed securities may utilize models, such as a matrix pricing model, that incorporates other observable inputs such as cash flow, security structure, or market information, when broker/dealer quotes are not available.

Real Estate, Private Equity, and Insurance Contract Interests: The fair value of real estate and private equity funds, and insurance contract interests are determined by the issuer based on the unit values of the funds. Unit values are determined by dividing the fund's net assets by the number of units outstanding at the valuation date. Fair value for underlying investments in real estate is determined through independent property appraisals. Fair value of underlying investments in private equity assets is determined based on information provided by the general partner taking into consideration the purchase price of the underlying securities, developments concerning the investee company subsequent to the acquisition of the investment, financial data and projections of the investee company provided to the general partner, and such other factors as the general partner deems relevant. Insurance contracts are invested in group annuity contracts, which are valued based on the present value of expected future payments.

Below is a summary of the Plan's Master Trust investments at December 31, 2010 and 2009 where fair value is estimated based on the net asset value:

Fair Value Estimated Using Net Asset Value per Share December 31, 2010				
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real Estate Partnerships (a)	\$ 12,781,094	\$ -	Quarterly	45–90 days
Private Equity Partnerships (b)	2,101,454	550,000	N/A	N/A
Insurance Contracts (c)	<u>1,321,818</u>	<u> </u>	No restriction	90 days
Total	<u>\$ 16,204,366</u>	<u>\$ 550,000</u>		

Fair Value Estimated Using Net Asset Value per Share December 31, 2009				
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real Estate Partnerships (a)	\$ 22,316,784	\$ -	Quarterly	45–90 days
Private Equity Partnerships (b)	3,181,643	550,000	N/A	N/A
Insurance Contracts (c)	<u>1,320,819</u>	<u> </u>	No restriction	90 days
Total	<u>\$ 26,819,246</u>	<u>\$ 550,000</u>		

(a) This class includes investments in limited partnership interests that invest in U.S. commercial real estate assets. The fair values of the investments in this class have been estimated using the net asset value of the Plan's limited partnership interest in underlying assets of the investment. Distributions from the investment will be received following a withdrawal request by the Plan, subject to the availability of cash for distribution. The fair values of each individual property are based on independent property appraisals and it is probable that all of the investments in this class will be sold at an amount different from the net asset value of the Plan's partnership interest.

(b) This class includes private equity interests that primarily invest in domestic technology companies. These investments cannot be redeemed to the fund. Instead, the nature of the investments in this class is that distributions are received through the liquidation of the underlying assets in the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated over 5 to 10 years. As of December 31, 2010, it is probable that all of the investments in this class will be sold at an amount different from the net asset value of the Plan's ownership interest. The fair values of the investments in this class have been estimated using recent observable transaction information for similar investments, non-binding bids received from potential buyers of the investments, developments concerning the investee company subsequent to the acquisition of the investment, financial data and projections of the investee company provided to the general partner, and such other factors as the general partner deems relevant.

(c) This class includes investments in group annuity insurance contracts. The fair value of the investment in this class has been estimated using the present value of expected future payments to the contract holder. As of December 31, 2010, it is probable that the actual distributions from the contract will be different than the present value of the expected future payments.

6. INFORMATION CERTIFIED BY TRUSTEE (UNAUDITED)

The following is a summary of the unaudited information regarding the Plan as of December 31, 2010 and 2009, and for the year ended December 31, 2010, included in the Plan's financial statements that was prepared by or derived from information prepared by the Trustee and furnished to the Plan administrator. The Plan administrator has obtained certifications from the Trustee that such information is complete and accurate.

	2010	2009
Statements of net assets available for benefits — investment in Master Trust	\$ 135,776,118	\$ 121,460,562
Statement of changes in net assets available for benefits — appreciation from investment in Master Trust	17,257,564	

Note: All investment balances and investment information in the notes, excluding the classification of investments by level in Note 5.

7. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their last five years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the five years ending on the date as of which the benefit information is presented (the valuation date). The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The following table presents the actuarial present value of accumulated plan benefits at December 31, 2010 and 2009, and changes in accumulated plan benefits for the year ended December 31, 2010:

	2010	2009
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	\$ 73,332,331	\$ 72,788,423
Other participants	<u>56,363,589</u>	<u>49,658,964</u>
Total	129,695,920	122,447,387
Nonvested benefits	<u>998,050</u>	<u>1,419,024</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 130,693,970</u>	<u>\$ 123,866,411</u>
Actuarial present value of accumulated plan benefits — beginning of year	\$ 123,866,411	
Increase (decrease) during the year attributable to:		
Increase for interest due to the decrease in the discount period	9,859,489	
Benefits paid	(8,891,088)	
Present value of benefits accumulated	3,231,503	
Assumption changes	1,855,011	
Miscellaneous	<u>772,644</u>	
Actuarial present value of accumulated plan benefits — end of year	<u>\$ 130,693,970</u>	

The significant actuarial assumptions used in the December 31, 2010 and 2009, valuations were:

- Mortality: RP-2000 Mortality Table projected using Scale AA from 2000 to 7 years after 2011 for annuitants and 15 years after 2011 for nonannuitants
- Retirement age assumptions (representative annual rates of retirement were used)
- Investment return: 8.25% per annum

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

8. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan, in certain circumstances, to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of Plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder, and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

9. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain investments in the Master Trust are shares of equity and fixed income funds managed by the Trustee, and therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are included as a reduction of the return on each fund.

10. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has determined and informed the employer, by letter dated May 29, 2002, that the Plan and related trust are designed in accordance with the applicable regulations of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Administrative Committee and the Investment Committee believe the Plan is currently designed and operated in compliance with the applicable requirements of the IRC, and the Plan and related trust continue to be tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

* * * * *

Schedule SB, Line 26 - Schedule of Active Participant Data

Distribution of Active Participants by Completed Age and Credited Service as of January 1, 2010

Plan: Retirement Plan for Employees of Matson
 EIN: 94-0662400
 PN: 014

Schedule SB, Line 26 - Schedule of Active Participant Data											
Attained Age	YEARS OF CREDITED SERVICE										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25		4									4
25 to 29	1	26	8								35
30 to 34	2	29	28	3							62
35 to 39	1	23	27	10	1						62
40 to 44		15	38	11	5	4					73
45 to 49	1	20	42	11	9	20	1	1			105
50 to 54		22	22	10	13	22	9	4			102
55 to 59		14	28	9	12	9	5	10	7		94
60 to 64		7	12	5	8	6	1	7	6		52
65 to 69		2	2	1	1	2	1		2		11
70 & up										1	1
Total	5	162	207	60	49	63	17	22	15	1	601

Schedule SB, line 24 – Change in Actuarial Assumptions

- For Matson Shoreside members with Cash Balance Accounts, updated cash balance interest credit rate assumption to current plan year's interest credit rate, i.e., arithmetic average of the month-end 10-year Treasury Constant Maturities for the months of August, September and October that immediately precede the plan year (from 3.90% for 2009 valuation to 3.37% for 2010 valuation).

The above change was made to better reflect the actuary's best estimate of anticipated experience under the Plan.

Schedule SB, line 25 – Change in Method

The interest rate used for funding purposes was changed effective January 1, 2010 from the IRS Full Yield Curve for applicable month that is 2 months prior to the valuation date (i.e., November, derived from daily yield curves during October) to 3-segment interest rates with a 4-month lookback. This change receives automatic IRS approval in accordance with final regulations under IRC §430.

RETIREMENT PLAN FOR EMPLOYEES OF MATSON

**EIN: 94-0662400; PN: 014
Schedule SB Notes for 2010 Plan Year**

In preparing this Schedule SB, the actuary relied on the following information which was provided by other parties:

- (a) Contribution information, as provided by the employer.
- (b) Asset information, as provided by the trustee and insurance companies.
- (c) Data on people covered by the Plan, as provided by employer. While not verifying the data at the source, the actuary performed tests for consistency and reasonability. Compensation information also provided by the employer.
- (d) Plan provisions summarized in the attachment that fairly reflect the most recent restated plan document adopted October 25, 2007 with amendments adopted through December 24, 2009.

The information in (b) and (c) was audited by the independent certified public accountants for the Plan Sponsor.

Schedule SB, line 32 - Schedule of Amortization Bases

Summary of Shortfall Amortization Bases as of January 1, 2010

Plan: Retirement Plan for Employees of Matson
 EIN 94-0662400
 PN: 014
 Data Code Number: 2,12,33

<u>Type of Base</u>	<u>Date Established</u>	<u>Initial Amount</u>	<u>Remaining Installments</u>	<u>Shortfall Amortization Installment</u>	<u>Present Value of Remaining Installments as of January 1, 2010</u>
Shortfall	1/1/2010	\$ 7,121,751	7	\$ 1,198,534	\$ 7,121,751

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan		B Three-digit plan number (PN)	014
Retirement Plan for Employees of Matson			
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF		D Employer Identification Number (EIN)	
Matson Navigation Company, Inc.		94-0662400	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>			
2 Assets:			
a Market value.....	2a	127,088,876	
b Actuarial value.....	2b	139,797,763	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	637	82,811,243
b For terminated vested participants	3b	465	21,591,198
c For active participants:			
(1) Non-vested benefits	3c(1)		1,870,588
(2) Vested benefits	3c(2)		40,905,303
(3) Total active	3c(3)	601	42,775,891
d Total.....	3d	1,703	147,178,332
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.66 %	
6 Target normal cost.....	6	4,391,788	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**Jennifer S.J. Lum-Ota *JLO*

Signature of actuary

Jennifer S.J. Lum-Ota, FSA, EA, MAAA

Type or print name of actuary

Buck Consultants, LLC

1001 Bishop St., Suite 700 ^{Firm name}

Honolulu

HI 96813-3696

Address of the firm

10/4/2011

Date

11-04070

Most recent enrollment number

(808) 533-6002

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	1	0
10 Interest on item 9 using prior year's actual return of <u>15.97</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		5,202,250
b Interest on (a) using prior year's effective rate of <u>8.19</u> %		426,064
c Total available at beginning of current plan year to add to prefunding balance		5,628,314
d Portion of (c) to be added to prefunding balance		5,628,314
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	1	5,628,314

Part III Funding percentages

14 Funding target attainment percentage	14	91.16 %
15 Adjusted funding target attainment percentage	15	91.16 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	104.12 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:**a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No**b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No**c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	4,391,788
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	7,121,751	1,198,534
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	5,590,322
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1	5,590,321
		Total balance
36 Additional cash requirement (item 34 minus item 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	0
38 Interest-adjusted excess contributions for current year (see instructions)	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Schedule SB, line 22 - Description of Weighted Average Retirement Age

This age is derived by applying, for an employee with the characteristics of an average new entrant to the plan, the following formula, modified so that the “½” is not used for t = FRA-ERA.

$$\sum_{t=0}^{FRA-ERA} ({}_t p_{ERA}) * (q^r_{ERA+t}) * (ERA + t + \frac{1}{2})$$

$$\sum_{t=0}^{FRA-ERA} ({}_t p_{ERA}) * (q^r_{ERA+t})$$

where FRA = age everyone is assumed to retire
 ERA = earliest retirement age
 ${}_t p_{ERA}$ = probability of surviving to age ERA + t
 q^r_{ERA+t} = probability of retiring at age ERA + t

Annual rates of assumed retirement:

Age	Rates for Matson Shoreside and Matson Clerical BU (Honolulu) Employees	Rates for Matson Special (Security) Officer Employees
< 62	.00	.00
62	.15	1.00
63	.10	1.00
64	.20	1.00
65	1.00	1.00

Weighted average retirement age for entire group was proportionately weighted based on the number of active participants covered under the respective retirement assumption as of January 1, 2010. (Please note that there are no Matson Special (Security) Officer active participants as of 1/1/10.)

Retirement Plan for Employees of Matson

Data Code Number	Covered Groups
2	Matson Shoreside
12	Matson Clerical BU (Honolulu)
33*	MTI Security Officers
2,12,33 -	Merged Matson Plan

** MTI Security Officers group has no active or inactive members with deferred benefits.*

Prescribed Funding Assumptions and Methods

Funding Interest Rates:	Segment Rates with 4-month lookback: First Segment Rate: 5.03% Second Segment Rate: 6.73% Third Segment Rate: 6.82%
Funding Mortality:	Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.
Actuarial Cost Method:	The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected administrative expenses to be paid from plan assets during the year.
Cash Balance Conversion To Annuities	Prescribed mortality table and interest rates pursuant to IRS Regulation 1.430(d)-1(f)(5)(ii).

Non-Prescribed Funding Assumptions and Methods

Salary Increase:	4.00%
Cash Balance Interest Credit Rate:	3.37% (the current plan year's actual interest credit rate, i.e., arithmetic average of month-end 10-year Constant Maturities rate for the months of August, September and October that immediately precede the plan year).
Expenses:	Expected plan administrative expenses equal to prior year's non-investment administrative expenses paid from plan assets (\$477,821) are added to Target Normal Cost.

Non-Prescribed Funding Assumptions and Methods (continued)

Frequency of Optional
Payment Forms for

Traditional Pension Benefits: For **Matson Shoreside members**, 50% of members are assumed to elect a Single Life Annuity and 50% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse. For **Matson Clerical BU (Honolulu) members**, 70% of members are assumed to elect a Single Life Annuity and 30% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse.

Cash Balance Benefits: At retirement: 50% of members are assumed to elect an immediate lump sum; 25% of members are assumed to elect a Single Life Annuity; and 25% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse.

At termination before age 55: 80% of members are assumed to elect an immediate lump sum; 10% of members are assumed to elect a Single Life Annuity beginning at age 62; and 10% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse beginning at age 62.

At death before retirement: 100% of beneficiaries are assumed to elect an immediate lump sum.

Marital Percentage: For **Matson Shoreside members**, 68% of the members are assumed to be married, and males are assumed to be three years older than their spouses. For **Matson Clerical BU (Honolulu) members**, 67% of the members are assumed to be married, and males are assumed to be three years older than their spouses. **MTI Security Officers group** has no active or inactive members with deferred benefits.

Mortality: The mortality table is applied on a static basis.

Turnover Rates: Representative annual rates of turnover are:

Rates			
Age	Matson Shoreside	Matson Clerical BU (Honolulu)	MTI Security Officers
20	.1746	.0925	.0100
25	.1851	.0775	.0100
30	.1219	.0625	.0100
35	.0878	.0500	.0100
40	.0700	.0375	.0000
45	.0621	.0250	.0000
50	.0563	.0125	.0000
55	.0000	.0000	.0000

Non-Prescribed Funding Assumptions and Methods (continued)

Disability Rates:

Representative annual rates of disability are:

Rates			
Age	Matson Shoreside	Matson Clerical BU (Honolulu)	MTI Security Officers
20	.0000	.0000	.0042
25	.0000	.0000	.0045
30	.0000	.0000	.0048
35	.0000	.0000	.0051
40	.0000	.0000	.0059
45	.0000	.0000	.0079
50	.0000	.0000	.0143
55	.0000	.0000	.0272
60	.0000	.0000	.0552

Retirement Rates:

Annual rates of retirement for **Matson Shoreside** and **Matson Clerical BU (Honolulu)** active members are:

Age	Rate
61 & Under	.00
62	.15
63	.10
64	.20
65	1.00

In addition, for purposes of determining at-risk Funding Target and at-risk Target Normal Cost, employees eligible to retire and receive a benefit in the next 11 years are assumed to retire when first eligible (but not before the end of the current plan year) and elect to receive the form of benefit producing the highest present value.

Retirement age for Matson Shoreside and MTI Security Officer inactive members with deferred benefits: age 62

Retirement age for Matson Clerical BU (Honolulu) inactive members with deferred benefits: age 60

Asset Valuation Method:

Actuarial Value of Assets is market value as of the valuation date, including discounted receivable contributions, reduced by 2/3 of the gain/(loss) for the immediately preceding plan year and reduced by 1/3 of the gain/(loss) for the next immediately preceding plan year. The gain/(loss) for each period is determined as the actual return on market value during the period less the expected return on market value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value, including discounted receivable contributions.

Non-Prescribed Funding Assumptions and Methods (continued)

Asset Valuation Method (cont.): The expected return on plan assets for the applicable measurement periods was 8.50% per annum, limited by PPA to the applicable third segment rate as follows:

2009 measurement period:	6.69%
2008 measurement period:	6.43%

Summary of Changes from the January 1, 2009 Valuation

- 2009 Valuation used IRS Full Yield Curve for applicable month that is 2 months prior to the valuation date (i.e., November, derived from daily yield curves during October). All interest rates were compounded annually.
- For Matson Shoreside members with Cash Balance Accounts, 2009 valuation used actual 2009 interest credit rate of 3.90% as the assumed interest credit rate for all future years.
- The mortality tables used for funding purposes were updated with projections specified by IRS Regulation 1.430(h)(3)-1.

Changes in assumptions were either made in accordance with applicable law and regulations or to better reflect the actuary's best estimate of anticipated experience under the plan.

Retirement Plan for Employees of Matson

Data Code Number	Covered Groups
2	Matson Shoreside
12	Matson Clerical BU (Honolulu)
33	MTI Security Officers
2,12,33	Merged Matson Plan

Changes Since
Last Valuation: None.

Matson Salaried NBU Members

Eligibility

All non-bargaining unit employees become members on the first day of the month coinciding with or next following completion of one year of service. (Former employees of Aquitaine Assets Ltd. or Aquitaine L.L.C. or TransAmerica Transportation Service LLC will not be eligible to participate in the plan unless they become an eligible employee.) Effective January 1, 2006, those non-bargaining unit employees who are first employed by Matson Integrated Logistics on or after January 1, 2006 will not be eligible to participate in the plan. Special rules apply for those non-bargaining employees who transfer employment to or from Matson Integrated Logistics.

All covered non-bargaining unit employees (described above) hired or rehired prior to January 1, 2008 and who became non-bargaining unit eligible employees prior to January 1, 2008 (excluding salaried NBU employees who were rehired on or after January 1, 2008), are eligible for “traditional” pension benefits.

Covered salaried non-bargaining unit employees hired or rehired on or after January 1, 2008, or who become salaried non-bargaining eligible employees on or after January 1, 2008, are eligible for Cash Balance Account benefits.

Normal Retirement Benefit

a) Eligibility: Age 65.

b) Amount of “Traditional” Pension Benefit: The monthly benefit is the greater of (1) or (2):

(1) (a) 1.45% of FAMC up to monthly Covered Compensation plus 1.85% of FAMC in excess of monthly Covered Compensation, times years of Credited Benefit Service up to 25,

plus

(b) .725% of FAMC up to monthly Covered Compensation plus .925% of FAMC in excess of monthly Covered Compensation, times years of Credited Benefit Service in excess over 25 (maximum 25),

plus

(c) .725% of FAMC times years of Credited Benefit Service over 50.

Final Average Monthly Compensation (FAMC) is the highest sixty-consecutive-month average of compensation (during most recent 120 months during which employee was an eligible employee), including base, overtime and one-year annual bonuses.

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Credited Benefit Service consists of all periods of eligible employment, plus eligible service with Matcinal Corporation or American President Lines, Ltd.

- (2) The accrued benefit determined on December 31, 1988 under the plan provisions in effect on that date.

c) Amount of Cash Balance Account Benefit: The sum of (1) Pay Credits and (2) Interest Credits:

- (1) Pay Credit is the amount credited as of the last day of each Plan Year to the Cash Balance Account. Pay Credit for a Plan Year is equal to 5% of the member's Compensation paid during the Plan Year while an eligible employee. An additional Pay Credit of 5% of Compensation (earned while an eligible employee) will be credited for the Plan Year preceding the Plan Year the eligible employee becomes a member.
- (2) Interest Credit for a Plan Year is equal to the member's Cash Balance Account as of January 1 of such Plan Year multiplied by the Interest Credit Rate for the Plan Year. Interest Credits are credited as of the last day of the Plan Year, or if earlier, the last day of the month preceding the member's Annuity Starting Date and on a simple interest basis.
- (3) Interest Credit Rate for a Plan Year is the arithmetic average of the month-end 10-year Treasury Constant Maturities rate for the months of August, September, and October of the prior Plan Year.

Member's Cash Balance Account is converted into an equivalent monthly single life annuity that is of equivalent actuarial value to Cash Balance Account as of the last day of the month preceding member's annuity starting date.

Early Retirement Benefit

- a) Eligibility: Age 55 and 5 years of service.
- b) Amount of "Traditional" Pension Benefit: The Normal Retirement Benefit for service to the Early Retirement Date multiplied by the following early retirement factor:

<u>Age</u>	<u>If Terminated Before Age 55</u>	<u>If Terminated At or After Age 55</u>
55	.50	.64
56	.54	.70
57	.58	.76
58	.62	.82
59	.66	.88
60	.70	.94
61	.76	.97
62	.82	1.00
63	.88	1.00
64	.94	1.00

- c) Amount of Cash Balance Account Benefit: Cash Balance Account converted into an equivalent monthly single life annuity that is of equivalent actuarial value to the Cash Balance Account as of the last day of the month preceding member's annuity starting date.

Deferred Retirement Benefit

- a) Eligibility: Employed beyond age 65.

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- b) Amount of Benefit: Member continues to accrue benefits beyond Normal Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability

If a member eligible for “traditional” pension benefits is disabled and receiving benefits under the employer’s long term disability plan, he will continue to accrue pension benefits based upon his rate of compensation when he became disabled.

If a member eligible for a Cash Balance Account benefit is disabled and continuously receiving benefits under the employer’s sickness benefits plan or long term disability plan, he will continue to accrue credited vesting service until the earlier of the date he terminates employment or attains his Normal Retirement Age.

Vested Benefit

- a) “Traditional” Pension Benefits:

- (1) Eligibility: 5 years of service (or 3 years of service if any portion of accrued benefit under the plan is a Cash Balance Account benefit).
- (2) Amount of Benefit: Commencing at age 65, the amount of Normal Retirement Benefit credited for service to the date of termination. Member may elect reduced Early Retirement Benefit after age 55 if member had at least 5 years of service.

- b) Cash Balance Account Benefits:

- (1) Eligibility: 3 years of service.
- (2) Amount of Benefit: Cash Balance Account credited with Pay Credits for service to date of termination and Interest Credits to last day of the month preceding the member’s retirement date. Cash Balance Account is converted into a monthly single life annuity that is of equivalent actuarial value to his Cash Balance Account as of the last day of the month preceding member’s retirement date. Member may elect to receive his benefit as early as the first day of the month following his date of termination. Cash Balance Account can be paid in the form of a lump sum or an immediate annuity (of equivalent actuarial value to his Cash Balance Account as of his annuity starting date).

Pre-Retirement Death Benefit

- a) “Traditional” Pension Benefits:

- (1) Eligibility: Married at least 1 year, with a vested benefit or eligible for retirement.
- (2) Amount of Benefit:
 - (a) If the member was active and eligible for early retirement (age 55 with 5 years of service), the spouse receives an immediate monthly income equal to the following percentage of the Normal Retirement Benefit (but not less than surviving spouse’s benefit described in (b) below):

<u>Surviving Spouse’s Age at Member’s Date of Death</u>	<u>Percentage of Normal Retirement Benefit</u>
53 and over	50%
45 through 52	45%
37 through 44	40%
30 through 36	35%
Under 30	30%

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- (b) If the member was active and either under age 55 or had less than 5 years of service, the spouse receives 1/2 of the reduced 50% Joint and Survivor benefit that would have been in effect had the member terminated on the date of death and survived to the date payments commenced, and retired on that date. This benefit is deferred until the date the member would have reached age 65 (or if member had at least 5 years of service at death, at the spouse's election, any time after the date the member would have reached age 55).
 - (c) If the member was terminated before death, the spouse would receive the same benefit described in (b).
- b) Cash Balance Account Benefits:
 - (1) Eligibility: 3 years of service or eligible for retirement.
 - (2) Amount of Benefit:
 - (a) If the member was married on his date of death, spouse receives a monthly single life annuity that is of equivalent actuarial value to the member's Cash Balance Account as of the last day of the month preceding the spouse's annuity starting date. In lieu of a monthly annuity, spouse may elect a lump sum payment equal to the member's Cash Balance Account as of the last day of the month preceding the spouse's annuity starting date. The spouse's benefit is deferred until member's Normal Retirement Date (or, at spouse's election, spouse can elect to receive payments commencing as of the first of any month following member's death).
 - (b) If the member was not married on his date of death, his designated beneficiary would receive a lump sum payment equal to the member's Cash Balance Account as of the last date of the month preceding the beneficiary's annuity starting date.

Employee Contributions None.

Forms of Payment

- a) Automatic Form:
 - (1) "Traditional" Pension Benefits:
 - (a) Single life annuity for unmarried member.
 - (b) Reduced 50% Qualified Joint & Survivor annuity for married member.
 - (c) Lump sum of not more than \$5,000.
 - (2) Cash Balance Account Benefits:
 - (a) Single life annuity (of equivalent actuarial value to Cash Balance Account) for unmarried member.
 - (b) Reduced 50% Qualified Joint & Survivor annuity (of equivalent actuarial value to Cash Balance Account) for married member.
 - (c) Lump sum of not more than \$5,000.
- b) Optional Forms:
 - (1) "Traditional" Pension Benefits:
 - (a) Single life annuity.
 - (b) 50%, 75% or 100% Joint & Survivor annuity.
 - (c) 66-2/3% Joint & Last Survivor annuity.
 - (2) Cash Balance Account Benefits:
 - (a) Single life annuity.
 - (b) 75% Joint & Survivor with spouse.
 - (c) 50%, 75% or 100% Joint & Survivor annuity (if at least age 55 with 5 years of service).
 - (d) Lump sum.

c) Conversion of Payment Forms

(1) For members with non-cash balance formula benefits:

The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year.

(2) For members with Cash Balance Accounts:

The member's Cash Balance Account is converted into an actuarially equivalent single life annuity or other form of payment using Internal Revenue Code Section 417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year.

The lump sum form of payment is equal to the member's Cash Balance Account.

Matson Clerical BU (Honolulu) Members

Eligibility

All Matson Clerical BU (Honolulu) employees covered under the applicable collective bargaining agreement become members of the plan on the first day of the month coinciding with or next following completion of one year of service.

Normal Retirement Benefit

a) Eligibility: Age 65.

b) Amount of Benefit: The monthly benefit is the greater of (1) or (2):

- (1) (a) 1.45% of FAMC up to monthly Covered Compensation plus 1.85% of FAMC in excess of monthly Covered Compensation, times years of Credited Benefit Service up to 25,

plus

- (b) .725% of FAMC up to monthly Covered Compensation plus .925% of FAMC in excess of monthly Covered Compensation, times years of Credited Benefit Service in excess over 25 (maximum 25),

plus

- (c) .725% of FAMC times years of Credited Benefit Service over 50.

Final Average Monthly Compensation (FAMC) is the highest sixty-consecutive-month average of compensation (during most recent 120 months during which employee was an eligible employee), including base, overtime and one-year annual bonuses.

Credited Benefit Service consists of all periods of eligible employment.

- (2) The accrued benefit determined on December 31, 1988 (June 30, 1990 for Matson Clerical BU Honolulu members) under the plan provisions in effect on that date.

Early Retirement Benefit

- a) Eligibility: Age 55 and 5 years of service.
- b) Amount of benefit: The Normal Retirement Benefit for service to the Early Retirement Date multiplied by the following early retirement factor:

<u>Age</u>	<u>If Terminated Before Age 55</u>	<u>If Terminated At or After Age 55</u>
55	.50	.64
56	.54	.70
57	.58	.76
58	.62	.82
59	.66	.88
60	.70	.94
61	.76	.97
62	.82	1.00
63	.88	1.00
64	.94	1.00

Deferred Retirement Benefit

- a) Eligibility: Employed beyond age 65.
- b) Amount of Benefit: Member continues to accrue benefits beyond Normal Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability

If a member is disabled and receiving benefits under the employer's long term disability plan, he will continue to accrue pension benefits based upon his rate of compensation when he became disabled.

Vested Benefit

- a) Eligibility: 5 years of service (or 3 years of service if any portion of accrued benefit under the plan is a Cash Balance Account benefit).
- b) Amount of Benefit: Commencing at age 65, the amount of Normal Retirement Benefit credited for service to the date of termination. Member may elect reduced Early Retirement Benefit after age 55 if member had at least 5 years of service.

Pre-Retirement Spouse Benefit

- a) Eligibility: Married at least 1 year, with a vested benefit or eligible for retirement.

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b) Amount of Benefit:

- (1) If the member was active and eligible for early retirement (age 55 with 5 years of service), the spouse receives an immediate monthly income equal to the following percentage of the Normal Retirement Benefit (but not less than surviving spouse's benefit described in (2) below):

<u>Surviving Spouse's Age at Member's Date of Death</u>	<u>Percentage of Normal Retirement Benefit</u>
53 and over	50%
45 through 52	45%
37 through 44	40%
30 through 36	35%
Under 30	30%

- (2) If the member was active and either under age 55 or had less than 5 years of service, the spouse receives 1/2 of the reduced 50% Joint and Survivor benefit that would have been in effect had the member terminated on the date of death and survived to the date payments commenced, and retired on that date. This benefit is deferred until the date the member would have reached age 65 (or if the member had at least 5 years of service at death, at the spouse's election, any time after the date the member would have reached age 55).
- (3) If the member was terminated before death, the spouse would receive the same benefit described in (2).

Employee Contributions None.

Forms of Payment

a) Automatic Form:

- (1) Single life annuity for unmarried member.
- (2) Reduced 50% Qualified Joint & Survivor annuity for married member.
- (3) Lump sum of not more than \$5,000.

b) Optional Forms:

- (1) Single life annuity.
- (2) 50%, 75% or 100% Joint & Survivor annuity.

c) Conversion of Payment Forms

The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year.

MTI Security Officer Members (There are no remaining active members or inactive members with deferred vested benefits.)

Eligibility

All regular full-time employees who are covered under the applicable collective bargaining agreements and who have completed one year of service.

Normal Retirement Benefit

a) Eligibility: Age 62.

b) Amount of Benefit: The monthly benefit is the greater of (1) or (2):

(1) Basic Benefit:

1% of the average monthly compensation for each year of Credited Benefit Service earned after December 31, 1966.

(2) Minimum Benefit:

For a member who retires after June 30, 1999:

	<u>For Each Year of Credited Benefit Service</u>	<u>Maximum Monthly Benefit</u>
From July 1, 1999	\$80.00	\$2,800.00
From July 1, 2000	\$90.00	\$3,150.00
From July 1, 2001	\$95.00	\$3,325.00

Credited Benefit Service - One-twelfth of a year of Credited Benefit Service for each calendar month during which an eligible employee is credited with 1 hour of service as a member, but excluding those months in which the eligible employee did not receive credit for 1 hour of service.

Early Retirement Benefit

a) Eligibility: Age 55 and 3 years of service.

b) Amount of Benefit:

(1) If age 60 or 5 years of service, accrued Normal Retirement Benefit reduced 5% per year before age 62.

(2) Otherwise, accrued Basic Benefit reduced 5% per year before age 62.

Deferred Retirement Benefit

a) Eligibility: Employed beyond age 62.

b) Amount of Benefit: Benefit is calculated based on compensation and credited benefit service to Deferred Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability

a) Eligibility: After 6 months of permanent disability, and not receiving any income continuance, sick leave or LTD.

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b) Amount of Benefit:

- (1) If the member is less than age 55 with less than 3 years of service, \$125.00 per month.
- (2) If the member is at least age 55 (but less than age 60) or has at least 3 (but less than 5) years of service, the greater of (i) \$125.00 per month or (ii) Basic Benefit for service to date of disablement.
- (3) If the member is at least age 60 or has at least 5 years of service, the greatest of (i) \$125.00, (ii) Basic Benefit for service to date of disablement, or (iii) Minimum Benefit for service to date of disablement.

Bridge Benefit

a) Eligibility: Retirement from active employment before age 65.

b) Amount of Benefit:

- (1) If age 62 or over, \$200 per month until age 65.
- (2) If under age 62, \$200 per month actuarially reduced for early retirement. Bridge benefits commencing prior to attainment of age 62 are actuarially reduced for early retirement using the 1971 Group Annuity Mortality Table set back one year and an interest rate of 6% per year.

Pre-Retirement Spouse Benefit

a) Eligibility: Eligible for a vested benefit or retirement.

b) Amount of Benefit: The greatest of (1), (2), (3) or (4):

- (1) If active, age 59 with 25 years of Credited Benefit Service, 1/2 of Normal Retirement Benefit.
- (2) (a) If active, age 60 with under 25 years of Credited Benefit Service, or
(b) if active, with at least 5 years of service, age 55 regardless of the number of years of Credited Benefit Service, or
(c) if active, with at least 5 years of service, under age 55 with 25 years of Credited Benefit Service,
but not eligible for above benefits, 1/2 of Normal Retirement Benefit, reduced 5% per year for each year before age 62, subject to a maximum 35% reduction.
- (3) If active, with less than 5 years of service, age 55 but not eligible for above benefits, 1/2 of Basic Retirement Income, reduced 5% per year for each year before age 62.
- (4) (a) If active, under age 55 with at least 3 years of service, with under 25 years of Credited Benefit Service, or
(b) if a terminated vested member,
1/2 of the reduced 50% Joint & Survivor Early Retirement Benefit that would have been in effect had the member terminated on the date of death, (and, if under age 55, survived to age 55).

Vested Benefit

a) Eligibility: 3 years of service.

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EIN: 94-0662400 PN: 014

b) Amount of Benefit:

- (1) If 5 years of service, accrued Normal Retirement Benefit commencing at age 62.
- (2) If at least 3 but less than 5 years of service, accrued Basic Benefit commencing at age 62.

Member may elect Early Retirement Benefit after age 55 (benefit reduced 5/9% per month for the first 60 months by which early retirement precedes age 62 and 5/18% per month for months over 60).

Employee Contributions None.

Forms of Payment

a) Automatic Form:

- (1) Single life annuity for unmarried member.
- (2) Reduced 50% Qualified Joint & Survivor annuity for married member. (This group only has retired members.)
- (3) Lump sum of not more than 5,000.

b) Optional Forms:

- (1) Single life annuity.
- (2) 50%, 75% or 100% Joint & Survivor annuity.
- (3) Repatriation benefit for employees hired prior to 1/1/1950.
- (4) Lump sum payment for disability retirement.
- (5) Lump sum payment for a member who is laid off due to a reduction in work force and who does not accept employment with another Stevedore employer in the State of Hawaii.

c) Conversion of Payment Forms

The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year. For disability retirement lump sums, present value factor applied to the monthly benefit shall not be less than 90.

Schedule SB, line 24 – Change in Actuarial Assumptions

- For Matson Shoreside members with Cash Balance Accounts, updated cash balance interest credit rate assumption to current plan year's interest credit rate, i.e., arithmetic average of the month-end 10-year Treasury Constant Maturities for the months of August, September and October that immediately precede the plan year (from 3.90% for 2009 valuation to 3.37% for 2010 valuation).

The above change was made to better reflect the actuary's best estimate of anticipated experience under the Plan.

Schedule SB, line 25 – Change in Method

The interest rate used for funding purposes was changed effective January 1, 2010 from the IRS Full Yield Curve for applicable month that is 2 months prior to the valuation date (i.e., November, derived from daily yield curves during October) to 3-segment interest rates with a 4-month lookback. This change receives automatic IRS approval in accordance with final regulations under IRC §430.

Schedule SB, Line 26 - Schedule of Active Participant Data

Distribution of Active Participants by Completed Age and Credited Service as of January 1, 2010

Plan: Retirement Plan for Employees of Matson
 EIN: 94-0662400
 PN: 014

Schedule SB, Line 26 - Schedule of Active Participant Data											
Attained Age	YEARS OF CREDITED SERVICE										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25		4									4
25 to 29	1	26	8								35
30 to 34	2	29	28	3							62
35 to 39	1	23	27	10	1						62
40 to 44		15	38	11	5	4					73
45 to 49	1	20	42	11	9	20	1	1			105
50 to 54		22	22	10	13	22	9	4			102
55 to 59		14	28	9	12	9	5	10	7		94
60 to 64		7	12	5	8	6	1	7	6		52
65 to 69		2	2	1	1	2	1		2		11
70 & up										1	1
Total	5	162	207	60	49	63	17	22	15	1	601

Schedule SB, line 32 - Schedule of Amortization Bases

Summary of Shortfall Amortization Bases as of January 1, 2010

Plan: Retirement Plan for Employees of Matson
 EIN 94-0662400
 PN: 014
 Data Code Number: 2,12,33

<u>Type of Base</u>	<u>Date Established</u>	<u>Initial Amount</u>	<u>Remaining Installments</u>	<u>Shortfall Amortization Installment</u>	<u>Present Value of Remaining Installments as of January 1, 2010</u>
Shortfall	1/1/2010	\$ 7,121,751	7	\$ 1,198,534	\$ 7,121,751

RETIREMENT PLAN FOR EMPLOYEES OF MATSON

**EIN: 94-0662400; PN: 014
Schedule SB Notes for 2010 Plan Year**

In preparing this Schedule SB, the actuary relied on the following information which was provided by other parties:

- (a) Contribution information, as provided by the employer.
- (b) Asset information, as provided by the trustee and insurance companies.
- (c) Data on people covered by the Plan, as provided by employer. While not verifying the data at the source, the actuary performed tests for consistency and reasonability. Compensation information also provided by the employer.
- (d) Plan provisions summarized in the attachment that fairly reflect the most recent restated plan document adopted October 25, 2007 with amendments adopted through December 24, 2009.

The information in (b) and (c) was audited by the independent certified public accountants for the Plan Sponsor.

Retirement Plan for Employees of Matson

<u>Data Code Number</u>	<u>Covered Groups</u>
2	Matson Shoreside
12	Matson Clerical BU (Honolulu)
33	MTI Security Officers
2,12,33	Merged Matson Plan

Changes Since
Last Valuation: None.

Matson Salaried NBU Members

Eligibility

All non-bargaining unit employees become members on the first day of the month coinciding with or next following completion of one year of service. (Former employees of Aquitaine Assets Ltd. or Aquitaine L.L.C. or TransAmerica Transportation Service LLC will not be eligible to participate in the plan unless they become an eligible employee.) Effective January 1, 2006, those non-bargaining unit employees who are first employed by Matson Integrated Logistics on or after January 1, 2006 will not be eligible to participate in the plan. Special rules apply for those non-bargaining employees who transfer employment to or from Matson Integrated Logistics.

All covered non-bargaining unit employees (described above) hired or rehired prior to January 1, 2008 and who became non-bargaining unit eligible employees prior to January 1, 2008 (excluding salaried NBU employees who were rehired on or after January 1, 2008), are eligible for “traditional” pension benefits.

Covered salaried non-bargaining unit employees hired or rehired on or after January 1, 2008, or who become salaried non-bargaining eligible employees on or after January 1, 2008, are eligible for Cash Balance Account benefits.

Normal Retirement Benefit

a) Eligibility: Age 65.

b) Amount of “Traditional” Pension Benefit: The monthly benefit is the greater of (1) or (2):

- (1) (a) 1.45% of FAMC up to monthly Covered Compensation plus 1.85% of FAMC in excess of monthly Covered Compensation, times years of Credited Benefit Service up to 25,

plus

- (b) .725% of FAMC up to monthly Covered Compensation plus .925% of FAMC in excess of monthly Covered Compensation, times years of Credited Benefit Service in excess over 25 (maximum 25),

plus

- (c) .725% of FAMC times years of Credited Benefit Service over 50.

Final Average Monthly Compensation (FAMC) is the highest sixty-consecutive-month average of compensation (during most recent 120 months during which employee was an eligible employee), including base, overtime and one-year annual bonuses.

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Credited Benefit Service consists of all periods of eligible employment, plus eligible service with Matcinal Corporation or American President Lines, Ltd.

- (2) The accrued benefit determined on December 31, 1988 under the plan provisions in effect on that date.

c) Amount of Cash Balance Account Benefit: The sum of (1) Pay Credits and (2) Interest Credits:

- (1) Pay Credit is the amount credited as of the last day of each Plan Year to the Cash Balance Account. Pay Credit for a Plan Year is equal to 5% of the member's Compensation paid during the Plan Year while an eligible employee. An additional Pay Credit of 5% of Compensation (earned while an eligible employee) will be credited for the Plan Year preceding the Plan Year the eligible employee becomes a member.
- (2) Interest Credit for a Plan Year is equal to the member's Cash Balance Account as of January 1 of such Plan Year multiplied by the Interest Credit Rate for the Plan Year. Interest Credits are credited as of the last day of the Plan Year, or if earlier, the last day of the month preceding the member's Annuity Starting Date and on a simple interest basis.
- (3) Interest Credit Rate for a Plan Year is the arithmetic average of the month-end 10-year Treasury Constant Maturities rate for the months of August, September, and October of the prior Plan Year.

Member's Cash Balance Account is converted into an equivalent monthly single life annuity that is of equivalent actuarial value to Cash Balance Account as of the last day of the month preceding member's annuity starting date.

Early Retirement Benefit

- a) Eligibility: Age 55 and 5 years of service.
- b) Amount of "Traditional" Pension Benefit: The Normal Retirement Benefit for service to the Early Retirement Date multiplied by the following early retirement factor:

<u>Age</u>	<u>If Terminated Before Age 55</u>	<u>If Terminated At or After Age 55</u>
55	.50	.64
56	.54	.70
57	.58	.76
58	.62	.82
59	.66	.88
60	.70	.94
61	.76	.97
62	.82	1.00
63	.88	1.00
64	.94	1.00

- c) Amount of Cash Balance Account Benefit: Cash Balance Account converted into an equivalent monthly single life annuity that is of equivalent actuarial value to the Cash Balance Account as of the last day of the month preceding member's annuity starting date.

Deferred Retirement Benefit

- a) Eligibility: Employed beyond age 65.

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- b) Amount of Benefit: Member continues to accrue benefits beyond Normal Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability

If a member eligible for “traditional” pension benefits is disabled and receiving benefits under the employer’s long term disability plan, he will continue to accrue pension benefits based upon his rate of compensation when he became disabled.

If a member eligible for a Cash Balance Account benefit is disabled and continuously receiving benefits under the employer’s sickness benefits plan or long term disability plan, he will continue to accrue credited vesting service until the earlier of the date he terminates employment or attains his Normal Retirement Age.

Vested Benefit

- a) “Traditional” Pension Benefits:

- (1) Eligibility: 5 years of service (or 3 years of service if any portion of accrued benefit under the plan is a Cash Balance Account benefit).
- (2) Amount of Benefit: Commencing at age 65, the amount of Normal Retirement Benefit credited for service to the date of termination. Member may elect reduced Early Retirement Benefit after age 55 if member had at least 5 years of service.

- b) Cash Balance Account Benefits:

- (1) Eligibility: 3 years of service.
- (2) Amount of Benefit: Cash Balance Account credited with Pay Credits for service to date of termination and Interest Credits to last day of the month preceding the member’s retirement date. Cash Balance Account is converted into a monthly single life annuity that is of equivalent actuarial value to his Cash Balance Account as of the last day of the month preceding member’s retirement date. Member may elect to receive his benefit as early as the first day of the month following his date of termination. Cash Balance Account can be paid in the form of a lump sum or an immediate annuity (of equivalent actuarial value to his Cash Balance Account as of his annuity starting date).

Pre-Retirement Death Benefit

- a) “Traditional” Pension Benefits:

- (1) Eligibility: Married at least 1 year, with a vested benefit or eligible for retirement.
- (2) Amount of Benefit:
 - (a) If the member was active and eligible for early retirement (age 55 with 5 years of service), the spouse receives an immediate monthly income equal to the following percentage of the Normal Retirement Benefit (but not less than surviving spouse’s benefit described in (b) below):

<u>Surviving Spouse’s Age at Member’s Date of Death</u>	<u>Percentage of Normal Retirement Benefit</u>
53 and over	50%
45 through 52	45%
37 through 44	40%
30 through 36	35%
Under 30	30%

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- (b) If the member was active and either under age 55 or had less than 5 years of service, the spouse receives 1/2 of the reduced 50% Joint and Survivor benefit that would have been in effect had the member terminated on the date of death and survived to the date payments commenced, and retired on that date. This benefit is deferred until the date the member would have reached age 65 (or if member had at least 5 years of service at death, at the spouse's election, any time after the date the member would have reached age 55).
 - (c) If the member was terminated before death, the spouse would receive the same benefit described in (b).
- b) Cash Balance Account Benefits:
 - (1) Eligibility: 3 years of service or eligible for retirement.
 - (2) Amount of Benefit:
 - (a) If the member was married on his date of death, spouse receives a monthly single life annuity that is of equivalent actuarial value to the member's Cash Balance Account as of the last day of the month preceding the spouse's annuity starting date. In lieu of a monthly annuity, spouse may elect a lump sum payment equal to the member's Cash Balance Account as of the last day of the month preceding the spouse's annuity starting date. The spouse's benefit is deferred until member's Normal Retirement Date (or, at spouse's election, spouse can elect to receive payments commencing as of the first of any month following member's death).
 - (b) If the member was not married on his date of death, his designated beneficiary would receive a lump sum payment equal to the member's Cash Balance Account as of the last date of the month preceding the beneficiary's annuity starting date.

Employee Contributions None.

Forms of Payment

- a) Automatic Form:
 - (1) "Traditional" Pension Benefits:
 - (a) Single life annuity for unmarried member.
 - (b) Reduced 50% Qualified Joint & Survivor annuity for married member.
 - (c) Lump sum of not more than \$5,000.
 - (2) Cash Balance Account Benefits:
 - (a) Single life annuity (of equivalent actuarial value to Cash Balance Account) for unmarried member.
 - (b) Reduced 50% Qualified Joint & Survivor annuity (of equivalent actuarial value to Cash Balance Account) for married member.
 - (c) Lump sum of not more than \$5,000.
- b) Optional Forms:
 - (1) "Traditional" Pension Benefits:
 - (a) Single life annuity.
 - (b) 50%, 75% or 100% Joint & Survivor annuity.
 - (c) 66-2/3% Joint & Last Survivor annuity.
 - (2) Cash Balance Account Benefits:
 - (a) Single life annuity.
 - (b) 75% Joint & Survivor with spouse.
 - (c) 50%, 75% or 100% Joint & Survivor annuity (if at least age 55 with 5 years of service).
 - (d) Lump sum.

c) Conversion of Payment Forms

(1) For members with non-cash balance formula benefits:

The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year.

(2) For members with Cash Balance Accounts:

The member's Cash Balance Account is converted into an actuarially equivalent single life annuity or other form of payment using Internal Revenue Code Section 417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year.

The lump sum form of payment is equal to the member's Cash Balance Account.

Matson Clerical BU (Honolulu) Members

Eligibility

All Matson Clerical BU (Honolulu) employees covered under the applicable collective bargaining agreement become members of the plan on the first day of the month coinciding with or next following completion of one year of service.

Normal Retirement Benefit

a) Eligibility: Age 65.

b) Amount of Benefit: The monthly benefit is the greater of (1) or (2):

- (1) (a) 1.45% of FAMC up to monthly Covered Compensation plus 1.85% of FAMC in excess of monthly Covered Compensation, times years of Credited Benefit Service up to 25,

plus

- (b) .725% of FAMC up to monthly Covered Compensation plus .925% of FAMC in excess of monthly Covered Compensation, times years of Credited Benefit Service in excess over 25 (maximum 25),

plus

- (c) .725% of FAMC times years of Credited Benefit Service over 50.

Final Average Monthly Compensation (FAMC) is the highest sixty-consecutive-month average of compensation (during most recent 120 months during which employee was an eligible employee), including base, overtime and one-year annual bonuses.

Credited Benefit Service consists of all periods of eligible employment.

- (2) The accrued benefit determined on December 31, 1988 (June 30, 1990 for Matson Clerical BU Honolulu members) under the plan provisions in effect on that date.

Early Retirement Benefit

- a) Eligibility: Age 55 and 5 years of service.
- b) Amount of benefit: The Normal Retirement Benefit for service to the Early Retirement Date multiplied by the following early retirement factor:

<u>Age</u>	<u>If Terminated Before Age 55</u>	<u>If Terminated At or After Age 55</u>
55	.50	.64
56	.54	.70
57	.58	.76
58	.62	.82
59	.66	.88
60	.70	.94
61	.76	.97
62	.82	1.00
63	.88	1.00
64	.94	1.00

Deferred Retirement Benefit

- a) Eligibility: Employed beyond age 65.
- b) Amount of Benefit: Member continues to accrue benefits beyond Normal Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability

If a member is disabled and receiving benefits under the employer's long term disability plan, he will continue to accrue pension benefits based upon his rate of compensation when he became disabled.

Vested Benefit

- a) Eligibility: 5 years of service (or 3 years of service if any portion of accrued benefit under the plan is a Cash Balance Account benefit).
- b) Amount of Benefit: Commencing at age 65, the amount of Normal Retirement Benefit credited for service to the date of termination. Member may elect reduced Early Retirement Benefit after age 55 if member had at least 5 years of service.

Pre-Retirement Spouse Benefit

- a) Eligibility: Married at least 1 year, with a vested benefit or eligible for retirement.

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b) Amount of Benefit:

- (1) If the member was active and eligible for early retirement (age 55 with 5 years of service), the spouse receives an immediate monthly income equal to the following percentage of the Normal Retirement Benefit (but not less than surviving spouse's benefit described in (2) below):

<u>Surviving Spouse's Age at Member's Date of Death</u>	<u>Percentage of Normal Retirement Benefit</u>
53 and over	50%
45 through 52	45%
37 through 44	40%
30 through 36	35%
Under 30	30%

- (2) If the member was active and either under age 55 or had less than 5 years of service, the spouse receives 1/2 of the reduced 50% Joint and Survivor benefit that would have been in effect had the member terminated on the date of death and survived to the date payments commenced, and retired on that date. This benefit is deferred until the date the member would have reached age 65 (or if the member had at least 5 years of service at death, at the spouse's election, any time after the date the member would have reached age 55).
- (3) If the member was terminated before death, the spouse would receive the same benefit described in (2).

Employee Contributions None.

Forms of Payment

a) Automatic Form:

- (1) Single life annuity for unmarried member.
- (2) Reduced 50% Qualified Joint & Survivor annuity for married member.
- (3) Lump sum of not more than \$5,000.

b) Optional Forms:

- (1) Single life annuity.
- (2) 50%, 75% or 100% Joint & Survivor annuity.

c) Conversion of Payment Forms

The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year.

MTI Security Officer Members (There are no remaining active members or inactive members with deferred vested benefits.)

Eligibility

All regular full-time employees who are covered under the applicable collective bargaining agreements and who have completed one year of service.

Normal Retirement Benefit

a) Eligibility: Age 62.

b) Amount of Benefit: The monthly benefit is the greater of (1) or (2):

(1) Basic Benefit:

1% of the average monthly compensation for each year of Credited Benefit Service earned after December 31, 1966.

(2) Minimum Benefit:

For a member who retires after June 30, 1999:

	<u>For Each Year of Credited Benefit Service</u>	<u>Maximum Monthly Benefit</u>
From July 1, 1999	\$80.00	\$2,800.00
From July 1, 2000	\$90.00	\$3,150.00
From July 1, 2001	\$95.00	\$3,325.00

Credited Benefit Service - One-twelfth of a year of Credited Benefit Service for each calendar month during which an eligible employee is credited with 1 hour of service as a member, but excluding those months in which the eligible employee did not receive credit for 1 hour of service.

Early Retirement Benefit

a) Eligibility: Age 55 and 3 years of service.

b) Amount of Benefit:

(1) If age 60 or 5 years of service, accrued Normal Retirement Benefit reduced 5% per year before age 62.

(2) Otherwise, accrued Basic Benefit reduced 5% per year before age 62.

Deferred Retirement Benefit

a) Eligibility: Employed beyond age 62.

b) Amount of Benefit: Benefit is calculated based on compensation and credited benefit service to Deferred Retirement Date. Benefits commencing after the April 1 following the calendar year in which the member attains age 70½ are actuarially increased as required by law.

Disability

a) Eligibility: After 6 months of permanent disability, and not receiving any income continuance, sick leave or LTD.

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b) Amount of Benefit:

- (1) If the member is less than age 55 with less than 3 years of service, \$125.00 per month.
- (2) If the member is at least age 55 (but less than age 60) or has at least 3 (but less than 5) years of service, the greater of (i) \$125.00 per month or (ii) Basic Benefit for service to date of disablement.
- (3) If the member is at least age 60 or has at least 5 years of service, the greatest of (i) \$125.00, (ii) Basic Benefit for service to date of disablement, or (iii) Minimum Benefit for service to date of disablement.

Bridge Benefit

a) Eligibility: Retirement from active employment before age 65.

b) Amount of Benefit:

- (1) If age 62 or over, \$200 per month until age 65.
- (2) If under age 62, \$200 per month actuarially reduced for early retirement. Bridge benefits commencing prior to attainment of age 62 are actuarially reduced for early retirement using the 1971 Group Annuity Mortality Table set back one year and an interest rate of 6% per year.

Pre-Retirement Spouse Benefit

a) Eligibility: Eligible for a vested benefit or retirement.

b) Amount of Benefit: The greatest of (1), (2), (3) or (4):

- (1) If active, age 59 with 25 years of Credited Benefit Service, 1/2 of Normal Retirement Benefit.
- (2) (a) If active, age 60 with under 25 years of Credited Benefit Service, or
(b) if active, with at least 5 years of service, age 55 regardless of the number of years of Credited Benefit Service, or
(c) if active, with at least 5 years of service, under age 55 with 25 years of Credited Benefit Service,
but not eligible for above benefits, 1/2 of Normal Retirement Benefit, reduced 5% per year for each year before age 62, subject to a maximum 35% reduction.
- (3) If active, with less than 5 years of service, age 55 but not eligible for above benefits, 1/2 of Basic Retirement Income, reduced 5% per year for each year before age 62.
- (4) (a) If active, under age 55 with at least 3 years of service, with under 25 years of Credited Benefit Service, or
(b) if a terminated vested member,
1/2 of the reduced 50% Joint & Survivor Early Retirement Benefit that would have been in effect had the member terminated on the date of death, (and, if under age 55, survived to age 55).

Vested Benefit

a) Eligibility: 3 years of service.

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b) Amount of Benefit:

- (1) If 5 years of service, accrued Normal Retirement Benefit commencing at age 62.
- (2) If at least 3 but less than 5 years of service, accrued Basic Benefit commencing at age 62.

Member may elect Early Retirement Benefit after age 55 (benefit reduced 5/9% per month for the first 60 months by which early retirement precedes age 62 and 5/18% per month for months over 60).

Employee Contributions None.

Forms of Payment

a) Automatic Form:

- (1) Single life annuity for unmarried member.
- (2) Reduced 50% Qualified Joint & Survivor annuity for married member. (This group only has retired members.)
- (3) Lump sum of not more than 5,000.

b) Optional Forms:

- (1) Single life annuity.
- (2) 50%, 75% or 100% Joint & Survivor annuity.
- (3) Repatriation benefit for employees hired prior to 1/1/1950.
- (4) Lump sum payment for disability retirement.
- (5) Lump sum payment for a member who is laid off due to a reduction in work force and who does not accept employment with another Stevedore employer in the State of Hawaii.

c) Conversion of Payment Forms

The member's single life annuity is converted into an actuarially equivalent other form of payment using (except for lump sums) the Unisex Pension 1984 Mortality Table set back two years for members and seven years for contingent annuitants and an interest rate of 6.5% per year.

The lump sum form of payment is calculated as (1) for members not yet eligible for retirement, the present value of the accrued benefit payable at Normal Retirement Date (or actual retirement date, if later) and (2) for members eligible for early retirement, the present value of the immediate early retirement benefit. In both cases, the present value is calculated using the Internal Revenue Code §417(e)(3) assumptions with a lookback month for the applicable interest rate for the fourth full calendar month preceding the plan year. For disability retirement lump sums, present value factor applied to the monthly benefit shall not be less than 90.

Schedule SB, line 22 - Description of Weighted Average Retirement Age

This age is derived by applying, for an employee with the characteristics of an average new entrant to the plan, the following formula, modified so that the “½” is not used for t = FRA-ERA.

$$\sum_{t=0}^{FRA-ERA} ({}_t p_{ERA}) * (q^r_{ERA+t}) * (ERA + t + \frac{1}{2})$$

$$\sum_{t=0}^{FRA-ERA} ({}_t p_{ERA}) * (q^r_{ERA+t})$$

where FRA = age everyone is assumed to retire
 ERA = earliest retirement age
 ${}_t p_{ERA}$ = probability of surviving to age ERA + t
 q^r_{ERA+t} = probability of retiring at age ERA + t

Annual rates of assumed retirement:

Age	Rates for Matson Shoreside and Matson Clerical BU (Honolulu) Employees	Rates for Matson Special (Security) Officer Employees
< 62	.00	.00
62	.15	1.00
63	.10	1.00
64	.20	1.00
65	1.00	1.00

Weighted average retirement age for entire group was proportionately weighted based on the number of active participants covered under the respective retirement assumption as of January 1, 2010. (Please note that there are no Matson Special (Security) Officer active participants as of 1/1/10.)

Retirement Plan for Employees of Matson

Data Code Number	Covered Groups
2	Matson Shoreside
12	Matson Clerical BU (Honolulu)
33*	MTI Security Officers
2,12,33 -	Merged Matson Plan

** MTI Security Officers group has no active or inactive members with deferred benefits.*

Prescribed Funding Assumptions and Methods

Funding Interest Rates:	Segment Rates with 4-month lookback: First Segment Rate: 5.03% Second Segment Rate: 6.73% Third Segment Rate: 6.82%
Funding Mortality:	Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.
Actuarial Cost Method:	The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected administrative expenses to be paid from plan assets during the year.
Cash Balance Conversion To Annuities	Prescribed mortality table and interest rates pursuant to IRS Regulation 1.430(d)-1(f)(5)(ii).

Non-Prescribed Funding Assumptions and Methods

Salary Increase:	4.00%
Cash Balance Interest Credit Rate:	3.37% (the current plan year's actual interest credit rate, i.e., arithmetic average of month-end 10-year Constant Maturities rate for the months of August, September and October that immediately precede the plan year).
Expenses:	Expected plan administrative expenses equal to prior year's non-investment administrative expenses paid from plan assets (\$477,821) are added to Target Normal Cost.

Non-Prescribed Funding Assumptions and Methods (continued)

Frequency of Optional
Payment Forms for

Traditional Pension Benefits: For **Matson Shoreside members**, 50% of members are assumed to elect a Single Life Annuity and 50% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse. For **Matson Clerical BU (Honolulu) members**, 70% of members are assumed to elect a Single Life Annuity and 30% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse.

Cash Balance Benefits: At retirement: 50% of members are assumed to elect an immediate lump sum; 25% of members are assumed to elect a Single Life Annuity; and 25% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse.

At termination before age 55: 80% of members are assumed to elect an immediate lump sum; 10% of members are assumed to elect a Single Life Annuity beginning at age 62; and 10% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse beginning at age 62.

At death before retirement: 100% of beneficiaries are assumed to elect an immediate lump sum.

Marital Percentage: For **Matson Shoreside members**, 68% of the members are assumed to be married, and males are assumed to be three years older than their spouses. For **Matson Clerical BU (Honolulu) members**, 67% of the members are assumed to be married, and males are assumed to be three years older than their spouses. **MTI Security Officers group** has no active or inactive members with deferred benefits.

Mortality: The mortality table is applied on a static basis.

Turnover Rates: Representative annual rates of turnover are:

Rates			
Age	Matson Shoreside	Matson Clerical BU (Honolulu)	MTI Security Officers
20	.1746	.0925	.0100
25	.1851	.0775	.0100
30	.1219	.0625	.0100
35	.0878	.0500	.0100
40	.0700	.0375	.0000
45	.0621	.0250	.0000
50	.0563	.0125	.0000
55	.0000	.0000	.0000

Non-Prescribed Funding Assumptions and Methods (continued)

Disability Rates:

Representative annual rates of disability are:

Rates			
Age	Matson Shoreside	Matson Clerical BU (Honolulu)	MTI Security Officers
20	.0000	.0000	.0042
25	.0000	.0000	.0045
30	.0000	.0000	.0048
35	.0000	.0000	.0051
40	.0000	.0000	.0059
45	.0000	.0000	.0079
50	.0000	.0000	.0143
55	.0000	.0000	.0272
60	.0000	.0000	.0552

Retirement Rates:

Annual rates of retirement for **Matson Shoreside** and **Matson Clerical BU (Honolulu)** active members are:

Age	Rate
61 & Under	.00
62	.15
63	.10
64	.20
65	1.00

In addition, for purposes of determining at-risk Funding Target and at-risk Target Normal Cost, employees eligible to retire and receive a benefit in the next 11 years are assumed to retire when first eligible (but not before the end of the current plan year) and elect to receive the form of benefit producing the highest present value.

Retirement age for Matson Shoreside and MTI Security Officer inactive members with deferred benefits: age 62

Retirement age for Matson Clerical BU (Honolulu) inactive members with deferred benefits: age 60

Asset Valuation Method:

Actuarial Value of Assets is market value as of the valuation date, including discounted receivable contributions, reduced by 2/3 of the gain/(loss) for the immediately preceding plan year and reduced by 1/3 of the gain/(loss) for the next immediately preceding plan year. The gain/(loss) for each period is determined as the actual return on market value during the period less the expected return on market value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value, including discounted receivable contributions.

Non-Prescribed Funding Assumptions and Methods (continued)

Asset Valuation Method (cont.): The expected return on plan assets for the applicable measurement periods was 8.50% per annum, limited by PPA to the applicable third segment rate as follows:

2009 measurement period:	6.69%
2008 measurement period:	6.43%

Summary of Changes from the January 1, 2009 Valuation

- 2009 Valuation used IRS Full Yield Curve for applicable month that is 2 months prior to the valuation date (i.e., November, derived from daily yield curves during October). All interest rates were compounded annually.
- For Matson Shoreside members with Cash Balance Accounts, 2009 valuation used actual 2009 interest credit rate of 3.90% as the assumed interest credit rate for all future years.
- The mortality tables used for funding purposes were updated with projections specified by IRS Regulation 1.430(h)(3)-1.

Changes in assumptions were either made in accordance with applicable law and regulations or to better reflect the actuary's best estimate of anticipated experience under the plan.