

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), 6057(b), 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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div> <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</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>KCC,INC. PENSION PLAN FOR HOURLY BARGAINING UNIT EMPLOYEES</u>	1b Three-digit plan number (PN) ▶	<u>006</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>KAUAI COMMERCIAL COMPANY, INC.</u> <u>1811 LELEIONA STREET</u> <u>LIHUE, HI 96766</u>	1c Effective date of plan <u>09/01/1955</u> 2b Employer Identification Number (EIN) <u>99-0291347</u> 2c Sponsor's telephone number <u>808-525-8495</u> 2d Business code (see instructions) <u>484110</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.	10/10/2014	BETTY GAMUNDOY
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) <u>JESSICA S.E. ENOS</u> <u>KMH LLP</u> <u>1003 BISHOP STREET, SUITE 2400</u> <u>HONOLULU, HI 96813</u>			Preparer's telephone number (optional) <u>808-526-2255</u>

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

Form 5500 (2013)
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3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address ALEXANDER & BALDWIN, INC. 822 BISHOP STREET HONOLULU, HI 96813-3924		3b Administrator's EIN 45-4849780
		3c Administrator's telephone number 808-525-8495
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
5 Total number of participants at the beginning of the plan year		5 85
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 1
b Retired or separated participants receiving benefits		6b 25
c Other retired or separated participants entitled to future benefits.....		6c 58
d Subtotal. Add lines 6a , 6b , and 6c		6d 84
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e
f Total. Add lines 6d and 6e		6f 84
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 1
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics 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
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)

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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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>KCC,INC. PENSION PLAN FOR HOURLY BARGAINING UNIT EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KAUAI COMMERCIAL COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>99-0291347</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>2013</u>	
2 Assets:	
a Market value	2a <u>2935464</u>
b Actuarial value	2b <u>2880725</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>21</u> <u>628183</u>
b For terminated vested participants.....	3b <u>31</u> <u>472673</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>23606</u>
(2) Vested benefits	3c(2) <u>687729</u>
(3) Total active.....	3c(3) <u>33</u> <u>711335</u>
d Total.....	3d <u>85</u> <u>1812191</u>
4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.36</u> %
6 Target normal cost	6 <u>65559</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>09/30/2014</u>
Signature of actuary		Date
<u>JENNIFER S.J. LUM-OTA, FSA,EA,MAAA</u>		<u>14-04070</u>
Type or print name of actuary		Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>		<u>808-533-6002</u>
Firm name		Telephone number (including area code)
<u>700 BISHOP STREET, SUITE 1200</u> <u>HONOLULU, HI 96813</u>		
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) 2013
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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 (line 13 from prior year)	260847	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	260847	
10 Interest on line 9 using prior year's actual return of <u>15.69</u> %	40927	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>5.60</u> % except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	301774	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	142.31 %
15 Adjusted funding target attainment percentage	15	158.96 %
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	142.26 %
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)	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 contributions 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 line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 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		

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76%	☐ 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 subject to 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 contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	65559	
b Excess assets, if applicable, but not greater than line 31a	31b	65559	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0	0	
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 (lines 31a - 31b + 32a + 32b - 33)...	34		
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning	01/01/2013	and ending	12/31/2013
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A Name of plan
KCC,INC. PENSION PLAN FOR HOURLY BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN)	006
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500
KAUAI COMMERCIAL COMPANY, INC.

D Employer Identification Number (EIN)
99-0291347

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: **A&B RETIREMENT AND PENSION TRUST**

b Name of sponsor of entity listed in (a): FIRST HAWAIIAN BANK

c EIN-PN 99-0268171-006	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3326664
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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)
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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)
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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)
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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)
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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)
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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)
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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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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
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**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE I (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information—Small Plan 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
		2013
		This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan KCC,INC. PENSION PLAN FOR HOURLY BARGAINING UNIT EMPLOYEES	B Three-digit plan number (PN) ►	006
C Plan sponsor's name as shown on line 2a of Form 5500 KAUAI COMMERCIAL COMPANY, INC.	D Employer Identification Number (EIN) 99-0291347	

Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

Part I	Small Plan Financial Information
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Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date. 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.**

1 Plan Assets and Liabilities:		(a) Beginning of Year	(b) End of Year
a Total plan assets	1a	2935464	3326664
b Total plan liabilities	1b		
c Net plan assets (subtract line 1b from line 1a)	1c	2935464	3326664
2 Income, Expenses, and Transfers for this Plan Year:		(a) Amount	(b) Total
a Contributions received or receivable:			
(1) Employers.....	2a(1)		
(2) Participants.....	2a(2)		
(3) Others (including rollovers)	2a(3)		
b Noncash contributions	2b		
c Other income.....	2c	503505	
d Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c)	2d		
e Benefits paid (including direct rollovers)	2e	78469	
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Administrative service providers (salaries, fees, and commissions)	2h	33836	
i Other expenses	2i		
j Total expenses (add lines 2e, 2f, 2g, 2h, and 2i).....	2j		112305
k Net income (loss) (subtract line 2j from line 2d)	2k		391200
l Transfers to (from) the plan (see instructions)	2l		

3 Specific Assets: If the plan held assets at anytime during the plan year in any of the following categories, check "Yes" and enter the current value of any assets remaining in the plan as of the end of the plan year. Allocate the value of the plan's interest in a commingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions.		Yes	No	Amount
a Partnership/joint venture interests	3a		X	
b Employer real property	3b		X	
c Real estate (other than employer real property).....	3c		X	
d Employer securities	3d		X	
e Participant loans.....	3e		X	

	Yes	No	Amount
3f Loans (other than to participants)		X	
3g Tangible personal property		X	

Part II Compliance Questions

4 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 plan year or classified during the year as uncollectible? Disregard participant loans secured by the participant's account balance.		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible?		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a.)		X	
e Was the 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 at any time hold 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interest?		X	
j Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
k Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? If "No," attach an IQPA's report or 2520.104-50 statement. (See instructions on waiver eligibility and conditions.)	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		X	

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part III Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information 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). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>KCC, INC. PENSION PLAN FOR HOURLY BARGAINING UNIT EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KAUAI COMMERCIAL COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>99-0291347</u>

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	<u>0</u>
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): <u>99-0034327</u> <u>01-0233346</u>		
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	<u>0</u>

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)
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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 (include any prior year accumulated funding deficiency not waived)	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 or other authority 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
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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. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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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.
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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

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees:

	Data Code Number	Covered Group
	20	Kauai Commercial H'rly BU
Changes Since Last Valuation:	None.	

Eligibility

All hourly employees covered under the collective bargaining agreement between Kauai Commercial Company (Production Unit) and ILWU Local 142 become members on the first day of the month coinciding with or next following the 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) Basic Benefit: The greater of:
 - (a) 1% of the average monthly compensation for each year of Credited Benefit Service; or
 - (b) the sum of (i) 9/10% of straight-time monthly pay as of 4/30/1994 times years of Credited Benefit Service earned prior to 4/30/1994, excluding any Credited Benefit Service earned prior to attainment of age 30 and deducting 1/12th year for each month with no earnings from the Company; and (ii) 1% of average monthly compensation for each year of Credited Benefit Service earned after 4/30/1994.
 - (c) For a Member who terminates employment on or after 5/1/2007, the sum of (i) 9/10% of straight-time monthly compensation as of 4/30/2004 times years of Credited Benefit Service earned prior to 4/30/2004, excluding any Credited Benefit Service earned prior to attainment of age 30 and deducting 1/12th year for each month with no earnings from the Company; and (ii) 1% of average monthly compensation for each year of Credited Benefit Service earned after 4/30/2004.
 - (2) Minimum Benefit: \$15.00 times years of Credited Benefit Service

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.

- 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	.4539	.50
56	.4862	.54
57	.5217	.58
58	.5610	.62
59	.6046	.66
60	.6530	.70
61	.7071	.76
62	.7676	.82
63	.8357	.88
64	.9127	.94

Deferred Retirement Benefit

- a) Eligibility: Employed beyond age 65.
- 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 Retirement Benefit

- a) Eligibility: Age 45, 10 years of service, and has a condition under which he is eligible for and continuously receiving disability insurance benefits under the Social Security Act.
- b) Amount of Benefit: Normal Retirement Benefit.

Vested Benefit

- a) Eligibility: 5 years of service.
- 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 a reduced Early Retirement Benefit after age 55.

Pre-Retirement Spouse Benefit

- a) Eligibility: Married at least 1 year, with 5 years of service or eligible for retirement.
- b) Amount of Benefit: The benefit commences on what would have been the member's normal retirement date (or, at the spouse's election, any time after the date the member would have reached age 55). The spouse receives 1/2 of the reduced 50% Joint & Survivor retirement benefit that would have been in effect had the member terminated on the date of death, survived to the date payments commence, and retired on that date.

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.

Schedule SB, Part V – Summary of Plan Provisions
KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees
EIN: 99-0291347 PN: 006

b) Optional Forms:

- (1) Single life annuity.
- (2) 75% Joint & Survivor annuity with spouse.

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.

Distribution of Active Participants by Completed Age and Credited Service as of January 1, 2013

Plan: KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees
 EIN: 99-0291347
 PN: 006

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			1								1
25 to 29			2								2
30 to 34			3								3
35 to 39		1	1								2
40 to 44	1		3								4
45 to 49			3				2				5
50 to 54		2	1			1	1	2			7
55 to 59		1	1	1							3
60 to 64			1				1	1	1		4
65 to 69											0
70 & up			1								1
Total	1	4	17	1	0	1	4	3	1	0	32*

* Participant count excludes those participants who transferred to an ineligible employment classification and therefore ceased receiving future benefit accruals in the above-named plan. However, the participant count in column 1 of line 3(c)(3) of the Schedule SB does include such transferred participants.

KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees:

Data Code Number	Covered Group
20	-
	Kauai Commercial H'rly BU

The Plan Sponsor elected to use the segment rates determined under section 430(h)(2) of the Internal Revenue Code, as amended by MAP-21 but before amendment by HATFA, for purposes of determining both the minimum funding requirements in accordance with ERISA and the plan's Adjusted Funding Target Attainment Percentage (AFTAP) for the 2013 plan year.

Prescribed Funding Assumptions and Methods

Funding Interest Rates:	<p>Segment Rates with four-month lookback as constrained by MAP-21:</p> <p>First Segment Rate: 4.94%</p> <p>Second Segment Rate: 6.15%</p> <p>Third Segment Rate: 6.76%</p> <p>In accordance with MAP-21, the first, second and third Segment Rates above have been constrained to an 85%-115% corridor around the average Segment Rates for the 25-year period ending September 30, 2012 for minimum funding and benefit restrictions but not for maximum tax-deductible purposes. Prior to the application of the MAP-21 corridor, the Segment Rates were 1.75%, 4.62% and 5.72%, respectively.</p> <p>Effective Interest Rate: 6.36%</p>
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.
<u>Non-Prescribed Funding Assumptions and Methods</u>	
Salary Increase:	3.00%
Expenses:	Expected plan administrative expenses equal to prior year's non-investment administrative expenses paid from plan assets (\$14,925) are added to Target Normal Cost.
Frequency of Optional Payment Forms:	<p>70% of members are assumed to elect a Single Life Annuity.</p> <p>30% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse.</p>
Marital Percentage:	80% of the members are assumed to be married, and males are assumed to be two years older than their spouses.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees
EIN: 99-0291347 PN: 006

Non-Prescribed Funding Assumptions and Methods (continued)

Mortality: The mortality table is applied on a static basis. Separate annuitant and non-annuitant tables were used.

Disability Rates: None

Turnover Rates: Representative annual rates of turnover are:

Age	Rate
20	.1000
25	.1000
30	.0800
35	.0800
40	.0500
45	.0400
50	.0300
55	.0000

Retirement Rates: Annual rates of retirement for active members are:

Age	Rate
55	.00
56	.02
57	.03
58	.03
59	.04
60	.06
61	.06
62	.40
63	.30
64	.20
65	.30
66	.40
67	.50
68	.10
69	.20
70	.20
71 & over	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 inactive members with deferred benefits:
age 60

Non-Prescribed Funding Assumptions and Methods (continued)

Asset Valuation Method: Actuarial Value of Assets is market value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior 2 years, respectively. 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.

The expected return on plan assets for the applicable measurement periods was 8.25% per annum, limited by PPA to the applicable third segment rate as follows:

2012 measurement period: 6.32%
2011 measurement period: 6.57%

Summary of Changes from the January 1, 2012 Valuation

- The 3-segment interest rates with four-month lookback used for minimum funding, benefit restrictions, and maximum tax-deductible purposes were updated to the current valuation date. The 2013 rates are constrained in accordance with MAP-21, except for maximum tax-deductible purposes. 2012 valuation used 3-segment interest rates (with four-month lookback without MAP-21 constraints) of 2.06% (first segment rate), 5.25% (second segment rate) and 6.32% (third segment rate).
- The mortality tables used for funding purposes were updated with projections specified by IRS Regulation 1.430(h)(3)-1.
- 2012 valuation assumed future salary increase of 4.00% per year.
- The amount of expenses added to the Target Normal Cost was updated to the current valuation date. 2012 valuation used non-investment administrative expenses (paid from plan assets) of \$13,789.

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.

**KCC, INC. PENSION PLAN FOR
HOURLY BARGAINING UNIT EMPLOYEES
EIN: 99-0291347; PN: 006**

Schedule SB, line 24 – Change in Actuarial Assumptions

- Changed future salary increase assumption from 4.00% per year for 2012 valuation to 3.00% per year for 2013 valuation.

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

**KCC, INC. PENSION PLAN FOR
HOURLY BARGAINING UNIT EMPLOYEES
EIN: 99-0291347; PN: 006**

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

The weighted average retirement age for the plan is calculated below, based on all active participants of the plan:

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
56	18.45	0.0200	0.37	20.67
57	18.05	0.0300	0.54	30.86
58	18.47	0.0300	0.55	32.13
59	17.86	0.0400	0.71	42.16
60	17.10	0.0600	1.03	61.56
61	17.02	0.0600	1.02	62.30
62	17.94	0.4000	7.18	444.90
63	11.69	0.3000	3.51	221.02
64	8.13	0.2000	1.63	104.13
65	6.47	0.3000	1.94	126.15
66	4.50	0.4000	1.80	118.68
67	2.67	0.5000	1.34	89.52
68	1.32	0.1000	0.13	8.98
69	1.18	0.2000	0.24	16.28
70	0.94	0.2000	0.19	13.11
71	0.74	1.0000	0.74	52.76
72	0.00	1.0000	0.00	0.00
73	0.00	1.0000	0.00	0.00
74	0.00	1.0000	0.00	0.00
75	0.00	1.0000	0.00	0.00
76	0.00	1.0000	0.00	0.00
77	0.00	1.0000	0.00	0.00
78	0.00	1.0000	0.00	0.00
79	0.00	1.0000	0.00	0.00
80	0.00	1.0000	0.00	0.00
81	1.00	1.0000	1.00	81.00
Total			23.91	1526.21
Average				63.83
Rounded Average				64

Note: The table presents values rounded to fewer significant digits than used in the calculations.

To determine the Weighted Average Retirement Age (WARA) for all participants, the sum of Weighted Ages (5) is divided by the sum of Expected Retirements (4) for all ages and rounded. For each age, the Expected Active Headcount (2) reflects the probability of surviving to that age reflecting all decrements.

Note to columns 2 and 3: Column 2's Expected Active Headcount includes members who are not yet eligible for retirement at a given age. The rates in Column 3 are therefore adjusted to reflect 0% probability for those not eligible to retire and the retirement rate percentages from the Attachment to Part V for those members who have attained eligibility requirements.

**KCC, INC. PENSION PLAN FOR
HOURLY BARGAINING UNIT EMPLOYEES**

EIN: 99-0291347; PN: 006

Schedule SB Notes for 2013 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 was also provided by the employer.
- (d) Plan provisions summarized in the attachment that fairly reflect the most recent restated plan document adopted June 29, 2012.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

► **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 KCC, INC. PENSION PLAN FOR HOURLY BARGAINING UNIT EMPLOYEES	B Three-digit plan number (PN) ►	006
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KAUAI COMMERCIAL COMPANY, INC.	D Employer Identification Number (EIN) 99-0291347	
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>2013</u>			
2 Assets:			
a Market value	2a	2935464	
b Actuarial value	2b	2880725	
3 Funding target/participant count breakdown:			
	(1) Number of participants	(2) Funding Target	
a For retired participants and beneficiaries receiving payment	3a	21	628183
b For terminated vested participants	3b	31	472673
c For active participants:			
(1) Non-vested benefits	3c(1)		23606
(2) Vested benefits	3c(2)		687729
(3) Total active	3c(3)	33	711335
d Total	3d	85	1812191
4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.36%	
6 Target normal cost	6	65559	

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  Signature of actuary JENNIFER S.J. LUM-OTA, FSA, EA, MAAA Type or print name of actuary BUCK CONSULTANTS, LLC Firm name 700 BISHOP ST., SUITE 1200 HONOLULU HI 96813 Address of the firm	09/30/2014 Date 1404070 Most recent enrollment number 808-533-6002 Telephone number (including area code)
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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 ☐

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76%	☐ 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 subject to 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 contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	65559	
b Excess assets, if applicable, but not greater than line 31a	31b	65559	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
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 (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

**KCC, INC. PENSION PLAN FOR
HOURLY BARGAINING UNIT EMPLOYEES**

EIN: 99-0291347; PN: 006

Schedule SB Notes for 2013 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 was also provided by the employer.
- (d) Plan provisions summarized in the attachment that fairly reflect the most recent restated plan document adopted June 29, 2012.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees:

Data Code Number	Covered Group
20 -	Kauai Commercial H'rly BU

The Plan Sponsor elected to use the segment rates determined under section 430(h)(2) of the Internal Revenue Code, as amended by MAP-21 but before amendment by HATFA, for purposes of determining both the minimum funding requirements in accordance with ERISA and the plan's Adjusted Funding Target Attainment Percentage (AFTAP) for the 2013 plan year.

Prescribed Funding Assumptions and Methods

Funding Interest Rates:	<p>Segment Rates with four-month lookback as constrained by MAP-21:</p> <p>First Segment Rate: 4.94%</p> <p>Second Segment Rate: 6.15%</p> <p>Third Segment Rate: 6.76%</p> <p>In accordance with MAP-21, the first, second and third Segment Rates above have been constrained to an 85%-115% corridor around the average Segment Rates for the 25-year period ending September 30, 2012 for minimum funding and benefit restrictions but not for maximum tax-deductible purposes. Prior to the application of the MAP-21 corridor, the Segment Rates were 1.75%, 4.62% and 5.72%, respectively.</p> <p>Effective Interest Rate: 6.36%</p>
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.
<u>Non-Prescribed Funding Assumptions and Methods</u>	
Salary Increase:	3.00%
Expenses:	Expected plan administrative expenses equal to prior year's non-investment administrative expenses paid from plan assets (\$14,925) are added to Target Normal Cost.
Frequency of Optional Payment Forms:	<p>70% of members are assumed to elect a Single Life Annuity.</p> <p>30% of members are assumed to elect a 50% Joint and Survivor Annuity with spouse.</p>
Marital Percentage:	80% of the members are assumed to be married, and males are assumed to be two years older than their spouses.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees
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Non-Prescribed Funding Assumptions and Methods (continued)

Mortality: The mortality table is applied on a static basis. Separate annuitant and non-annuitant tables were used.

Disability Rates: None

Turnover Rates: Representative annual rates of turnover are:

Age	Rate
20	.1000
25	.1000
30	.0800
35	.0800
40	.0500
45	.0400
50	.0300
55	.0000

Retirement Rates: Annual rates of retirement for active members are:

Age	Rate
55	.00
56	.02
57	.03
58	.03
59	.04
60	.06
61	.06
62	.40
63	.30
64	.20
65	.30
66	.40
67	.50
68	.10
69	.20
70	.20
71 & over	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 inactive members with deferred benefits:
age 60

Non-Prescribed Funding Assumptions and Methods (continued)

Asset Valuation Method: Actuarial Value of Assets is market value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior 2 years, respectively. 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.

The expected return on plan assets for the applicable measurement periods was 8.25% per annum, limited by PPA to the applicable third segment rate as follows:

2012 measurement period: 6.32%
2011 measurement period: 6.57%

Summary of Changes from the January 1, 2012 Valuation

- The 3-segment interest rates with four-month lookback used for minimum funding, benefit restrictions, and maximum tax-deductible purposes were updated to the current valuation date. The 2013 rates are constrained in accordance with MAP-21, except for maximum tax-deductible purposes. 2012 valuation used 3-segment interest rates (with four-month lookback without MAP-21 constraints) of 2.06% (first segment rate), 5.25% (second segment rate) and 6.32% (third segment rate).
- The mortality tables used for funding purposes were updated with projections specified by IRS Regulation 1.430(h)(3)-1.
- 2012 valuation assumed future salary increase of 4.00% per year.
- The amount of expenses added to the Target Normal Cost was updated to the current valuation date. 2012 valuation used non-investment administrative expenses (paid from plan assets) of \$13,789.

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.

KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees:

	Data Code Number	Covered Group
	20	Kauai Commercial H'rly BU
Changes Since Last Valuation:	None.	

Eligibility

All hourly employees covered under the collective bargaining agreement between Kauai Commercial Company (Production Unit) and ILWU Local 142 become members on the first day of the month coinciding with or next following the 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) Basic Benefit: The greater of:
 - (a) 1% of the average monthly compensation for each year of Credited Benefit Service; or
 - (b) the sum of (i) 9/10% of straight-time monthly pay as of 4/30/1994 times years of Credited Benefit Service earned prior to 4/30/1994, excluding any Credited Benefit Service earned prior to attainment of age 30 and deducting 1/12th year for each month with no earnings from the Company; and (ii) 1% of average monthly compensation for each year of Credited Benefit Service earned after 4/30/1994.
 - (c) For a Member who terminates employment on or after 5/1/2007, the sum of (i) 9/10% of straight-time monthly compensation as of 4/30/2004 times years of Credited Benefit Service earned prior to 4/30/2004, excluding any Credited Benefit Service earned prior to attainment of age 30 and deducting 1/12th year for each month with no earnings from the Company; and (ii) 1% of average monthly compensation for each year of Credited Benefit Service earned after 4/30/2004.
 - (2) Minimum Benefit: \$15.00 times years of Credited Benefit Service

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.

- 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	.4539	.50
56	.4862	.54
57	.5217	.58
58	.5610	.62
59	.6046	.66
60	.6530	.70
61	.7071	.76
62	.7676	.82
63	.8357	.88
64	.9127	.94

Deferred Retirement Benefit

- a) Eligibility: Employed beyond age 65.
- 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 Retirement Benefit

- a) Eligibility: Age 45, 10 years of service, and has a condition under which he is eligible for and continuously receiving disability insurance benefits under the Social Security Act.
- b) Amount of Benefit: Normal Retirement Benefit.

Vested Benefit

- a) Eligibility: 5 years of service.
- 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 a reduced Early Retirement Benefit after age 55.

Pre-Retirement Spouse Benefit

- a) Eligibility: Married at least 1 year, with 5 years of service or eligible for retirement.
- b) Amount of Benefit: The benefit commences on what would have been the member's normal retirement date (or, at the spouse's election, any time after the date the member would have reached age 55). The spouse receives 1/2 of the reduced 50% Joint & Survivor retirement benefit that would have been in effect had the member terminated on the date of death, survived to the date payments commence, and retired on that date.

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.

Schedule SB, Part V – Summary of Plan Provisions
KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees
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b) Optional Forms:

- (1) Single life annuity.
- (2) 75% Joint & Survivor annuity with spouse.

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.

**KCC, INC. PENSION PLAN FOR
HOURLY BARGAINING UNIT EMPLOYEES
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Schedule SB, line 22 - Description of Weighted Average Retirement Age

The weighted average retirement age for the plan is calculated below, based on all active participants of the plan:

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
56	18.45	0.0200	0.37	20.67
57	18.05	0.0300	0.54	30.86
58	18.47	0.0300	0.55	32.13
59	17.86	0.0400	0.71	42.16
60	17.10	0.0600	1.03	61.56
61	17.02	0.0600	1.02	62.30
62	17.94	0.4000	7.18	444.90
63	11.69	0.3000	3.51	221.02
64	8.13	0.2000	1.63	104.13
65	6.47	0.3000	1.94	126.15
66	4.50	0.4000	1.80	118.68
67	2.67	0.5000	1.34	89.52
68	1.32	0.1000	0.13	8.98
69	1.18	0.2000	0.24	16.28
70	0.94	0.2000	0.19	13.11
71	0.74	1.0000	0.74	52.76
72	0.00	1.0000	0.00	0.00
73	0.00	1.0000	0.00	0.00
74	0.00	1.0000	0.00	0.00
75	0.00	1.0000	0.00	0.00
76	0.00	1.0000	0.00	0.00
77	0.00	1.0000	0.00	0.00
78	0.00	1.0000	0.00	0.00
79	0.00	1.0000	0.00	0.00
80	0.00	1.0000	0.00	0.00
81	1.00	1.0000	1.00	81.00
Total			23.91	1526.21
Average				63.83
Rounded Average				64

Note: The table presents values rounded to fewer significant digits than used in the calculations.

To determine the Weighted Average Retirement Age (WARA) for all participants, the sum of Weighted Ages (5) is divided by the sum of Expected Retirements (4) for all ages and rounded. For each age, the Expected Active Headcount (2) reflects the probability of surviving to that age reflecting all decrements.

Note to columns 2 and 3: Column 2's Expected Active Headcount includes members who are not yet eligible for retirement at a given age. The rates in Column 3 are therefore adjusted to reflect 0% probability for those not eligible to retire and the retirement rate percentages from the Attachment to Part V for those members who have attained eligibility requirements.

**KCC, INC. PENSION PLAN FOR
HOURLY BARGAINING UNIT EMPLOYEES
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Schedule SB, line 24 – Change in Actuarial Assumptions

- Changed future salary increase assumption from 4.00% per year for 2012 valuation to 3.00% per year for 2013 valuation.

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

Schedule SB, line 26 - Schedule of Active Participant Data

Distribution of Active Participants by Completed Age and Credited Service as of January 1, 2013

Plan: KCC, Inc. Pension Plan for Hourly Bargaining Unit Employees
 EIN: 99-0291347
 PN: 006

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			1								1
25 to 29			2								2
30 to 34			3								3
35 to 39		1	1								2
40 to 44	1		3								4
45 to 49			3				2				5
50 to 54		2	1			1	1	2			7
55 to 59		1	1	1							3
60 to 64			1				1	1	1		4
65 to 69											0
70 & up			1								1
Total	1	4	17	1	0	1	4	3	1	0	32*

* Participant count excludes those participants who transferred to an ineligible employment classification and therefore ceased receiving future benefit accruals in the above-named plan. However, the participant count in column 1 of line 3(c)(3) of the Schedule SB does include such transferred participants.