

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: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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 KCC PENSION PLAN FOR SALARIED BARGAINING UNIT EMPLOYEES	<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;">007</td> </tr> <tr> <td colspan="2">1c Effective date of plan 01/01/1955</td> </tr> </table>	1b Three-digit plan number (PN) ▶	007	1c Effective date of plan 01/01/1955	
1b Three-digit plan number (PN) ▶	007				
1c Effective date of plan 01/01/1955					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) KAUAI COMMERCIAL COMPANY, INC. 1811 LELEIONA STREET LIHUE, HI 96766	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 99-0291347</td> </tr> <tr> <td>2c Plan Sponsor's telephone number 808-525-6611</td> </tr> <tr> <td>2d Business code (see instructions) 484110</td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) 99-0291347	2c Plan Sponsor's telephone number 808-525-6611	2d Business code (see instructions) 484110	
2b Employer Identification Number (EIN) 99-0291347					
2c Plan Sponsor's telephone number 808-525-6611					
2d Business code (see instructions) 484110					

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.	10/13/2015	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) ALAN M.L. YEE KMH LLP 1003 BISHOP ST. SUITE 2400 HONOLULU, HI 96813			Preparer's telephone number (optional) 808-526-2255

3a Plan administrator's name and address ☐ Same as Plan Sponsor ALEXANDER & BALDWIN, INC. 822 BISHOP STREET HONOLULU, HI 96813-3924	3b Administrator's EIN 45-4849780
	3c Administrator's telephone number 808-525-6611
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 10
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1)
a(2) Total number of active participants at the end of the plan year	6a(2)
b Retired or separated participants receiving benefits	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 0
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e
f Total. Add lines 6d and 6e	6f 0
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
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)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

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 PENSION PLAN FOR SALARIED BARGAINING UNIT EMPLOYEES		B Three-digit plan number (PN) ▶	007
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 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	346116	
b Actuarial value	2b	318318	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	2	79292	79292
b For terminated vested participants.....	8	252873	252873
c For active participants.....	0	0	0
d Total.....	10	332165	332165
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	6.51%	
6 Target normal cost	6	3000	

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.

<div>SIGN HERE</div>	<div>Signature of actuary</div> <div>JEREMY CLEAR, FSA,EA,MAAA</div> <div>Type or print name of actuary</div> <div>MERCER</div> <div>Firm name</div> <div>17901 VON KARMAN AVENUE, SUITE 1100 IRVINE, CA 92614</div> <div>Address of the firm</div>	<div>Date</div> <div>14-06667</div> <div>Most recent enrollment number</div> <div>949-222-1300</div> <div>Telephone number (including area code)</div>
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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)		
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)		
10 Interest on line 9 using prior year's actual return of <u>16.64</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.40</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
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		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	95.83 %
15 Adjusted funding target attainment percentage	15	95.83 %
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	108.60 %
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
09/15/2015	6000	0			
Totals ▶			18(b)	6000	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	5388
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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
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	3000	
b Excess assets, if applicable, but not greater than line 31a	31b		
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	13847	2317	
b Waiver amortization installment			
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	5317	
	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	5317	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	5388	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	71	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
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		

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		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan KCC PENSION PLAN FOR SALARIED BARGAINING UNIT EMPLOYEES	B Three-digit plan number (PN) ▶	007
C Plan sponsor's name as shown on line 2a of Form 5500 KAUAI COMMERCIAL COMPANY, INC.	D Employer Identification Number (EIN) 99-0291347	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name: BUCK CONSULTANTS, LLC	b EIN: 13-3954297
c Position: ENROLLED ACTUARY	
d Address: 700 BISHOP STREET, SUITE 1200 HONOLULU, HI 96813	e Telephone: 808-533-6001

Explanation: CHANGE IN ACTUARIAL FIRM

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

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
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)**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)**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
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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
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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)**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
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**a** Plan name**b** Name of
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
		2014
		This Form is Open to Public Inspection

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan KCC PENSION PLAN FOR SALARIED BARGAINING UNIT EMPLOYEES	B Three-digit plan number (PN) ►	007
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
---------------	---

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	346116	0
b Total plan liabilities	1b		
c Net plan assets (subtract line 1b from line 1a)	1c	346116	0
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	30140	
d Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c)	2d		30140
e Benefits paid (including direct rollovers)	2e	17420	
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	4055	
i Other expenses	2i		
j Total expenses (add lines 2e, 2f, 2g, 2h, and 2i).....	2j		21475
k Net income (loss) (subtract line 2j from line 2d)	2k		8665
l Transfers to (from) the plan (see instructions)	2l		-354781

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		5000000
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)
PENSION PLAN FOR EMPLOYEES OF A&B AGRICULTURAL COMPANIES	80-0819474	004

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 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>KCC PENSION PLAN FOR SALARIED BARGAINING UNIT EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>007</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
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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)
----------------	--

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): _____

Schedule SB, Part V — Summary of Plan Provisions**Summary of Major Plan Provisions**

Effective date and plan year	Restated plan: June 29, 2012 Plan year: January 1 – December 31
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
• Covered employees	All salaried employees who are covered under the agreement between Kauai Commercial Company (Clerical) and ILWU Local 142 who is not a leased employee or a "key employee".
• Participation	All covered employees become participants on the first day of the month coinciding with or next following completion of one year of service.
• Vesting service	All years of service, including periods of service with Former A&B Controlled Group.
• Credited service	All periods of service as an eligible employee.
• Compensation	Base compensation, including overtime and one-year annual bonuses
• Final average earnings	Average monthly Compensation earned during the sixty (60) consecutive months that produce the highest such average taken from the most recent one hundred twenty (120) months during which the employee was an eligible employee.
• Accrued benefit	The monthly benefit greater of (1) and (2), and Pre 1984 benefit: (1) 2.00% of Final Average Monthly Compensation less 1.50% of Monthly Primary Insurance Amount, times years of Credited Service up to 25, plus (2) 1.00% of Final Average Monthly Compensation less 0.75% of Monthly Primary Insurance Amount, times years of Credited Service in excess of 25.
Normal retirement	
• Eligibility	Normal Retirement Date: First day of the month coincident with or next following the attainment of age 65.
• Benefit	The accrued benefit determined as on Normal Retirement Date.
Early retirement	
• Eligibility	Age 55 and 5 years of service.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	The Normal Retirement Benefit for service to the Early Retirement Date multiplied by the following factors:		
	Age	If Terminated Before Age 55	If Terminated At or After Age 55
	55	0.50	0.64
	56	0.54	0.70
	57	0.58	0.76
	58	0.62	0.82
	59	0.66	0.88
	60	0.70	0.94
	61	0.76	0.97
	62	0.82	1.00
	63	0.88	1.00
	64	0.94	1.00
Late retirement			
• Eligibility	Retirement after Normal Retirement Date		
• Benefit	Participants continue to accrue benefits beyond Normal Retirement Date. Benefits earned in any non-suspendible month are subject to comparison between actuarially increased normal retirement benefit and benefit accruals. Benefits commencing after the April 1 following the calendar year in which the participant attains age 70½ are actuarially increased.		
Deferred vested			
• Eligibility	5 years of service		
• Benefit	The amount of Normal Retirement Benefit credited for service to the date of termination. Commence at age 65. Participant may elect a reduced early retirement benefit after age 55.		
Disability			
• Benefit	If an active participant 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.		
Pre-retirement death			
• Eligibility	Married at least 1 year, with 5 years of service or eligible for retirement.		

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	<p>The spouse receives 1/2 of the reduced 50% Joint and Survivor benefit that would have been in effect had the participant terminated on the date of death and survived to the date payments commenced, and then died immediately thereafter. The benefit is reduced for early retirement if the requested commencement date is before the participant's normal retirement date.</p> <p>If the participant's death occurs before the normal retirement date, this benefit is deferred until the date the participant would have reached age 65 (or if the participant had at least 5 years of service at death, at the spouse election, any time after the date the participant would have reached age 65).</p>
• Alternate benefit	<p>If the participant has met the early retirement eligibility, the spouse receives an immediate monthly annuity equal to the following percentage of the Normal Retirement Benefit but not less than surviving spouse's benefit described above/</p>

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

Form of benefits	
• Automatic form for unmarried participants	Single life annuity Lump sum of not more than \$5,000
• Automatic form for married participants	50% Joint & Survivor annuity Lump sum of not more than \$5,000
• Optional forms	Single life annuity 50%, 75% or 100% Joint & Survivor annuity
• Optional form conversion factors	<p>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 participant and seven years for contingent annuitants and an interest rate of 6.5% per year.</p> <p>Single life annuity is converted into an actuarially equivalent lump sum payment using the IRC 417(e) mortality and interest rates with four month look back.</p>

Schedule SB, Part V — Summary of Plan Provisions

Miscellaneous

- | | |
|------------------------|--|
| • Maximum compensation | Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. |
| • Maximum benefits | Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. |
-

Schedule SB, Part V — Summary of Plan Provisions***Benefits Included or Excluded***

Unless noted below, all benefits provided by the plan, as restated effective June 29, 2012, are included in this valuation.

- **Most recent plan amendments included:** This valuation reflects the provisions that include all the amendments made before and on January 1, 2014.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation does not include any late retirement increases.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued using benefits provided by the plan administrator.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2013 to 2014.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2014 Funding Valuation****Discount rate sponsor elections**

• Segment rates or full yield curve	Segment		
• Look-back months	4		
		<u>Stabilized</u>	<u>Nonstabilized</u>
• First 5 years		4.99%	1.37%
• Next 15 years		6.32%	4.05%
• Over 20 years		6.99%	5.06%

Mortality sponsor elections

• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
• Disabled participants	Same as healthy

Other economic assumptions

• Salary increases	0.50% per year
• Social Security wage base	3.25% per year
• Inflation	2.50% per year
• Expected investment return	7.10% per year
• Expenses	\$3,000 added to current year normal cost for expected administrative expenses

Demographic assumptions

• Withdrawal	See table of sample rates.
• Disability incidence	None.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Retirement age	Attained age	Percentage
	Under 57	0%
	57	2%
	58	2%
	59	2%
	60	4%
	61	5%
	62	5%
	63	15%
	64	12%
	65	20%
	66	30%
	67	50%
	68	30%
	69	20%
	70	20%
	71 and above	100%
• Benefit commencement age for		
— Future/current vested deferred	60	
• Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
— Percentage married	70%	70%
— Spouse age difference	2 years younger	2 years older
Form of payment	<u>Single life</u>	<u>50% J&S</u>
• Active retirements	70%	30%
• Future vested deferred	70%	30%
• Future disabilities	N/A	N/A
• Future deaths	0%	100%
• Current vested deferred	70%	30%
Unpredictable contingent event assumptions	Not applicable	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Table of Sample Rates***

Attained age	Withdrawal Rates
20	9.25%
25	7.75%
30	6.25%
35	5.00%
40	3.75%
45	2.50%
50	1.25%
55	0.00%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Methods****Asset Methods**

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

The method used to allocate Alexander & Baldwin, Inc. (A&B)'s retirement plans' Master Trust market value of assets is comprised of several steps:

1. Reconcile the master trust assets from the beginning of the plan year to the end of the plan year and identify the various receipts and disbursements items.
2. Identify which of those receipts and disbursements entries can be associated with a specific retirement plan. These entries include employer contributions paid to the Trust, benefit payments (including transfer of assets between retirement plans), PBGC premium payments, and fiduciary insurance premium payments that are paid from the Trust.
 - Mercer will receive a breakdown, by retirement plan, of all the non-purchased benefit payments paid during the year from John Hancock, Prudential and First Hawaiian Bank.
 - Employer contributions and PBGC premium payments are reported separately by retirement plan on the Trust statement.
 - The breakdown of fiduciary insurance premium payments by retirement plan will be provided by A&B.
3. The remaining receipts and disbursements, including investment expenses, and certain non-investment expenses and investment income earned (such as realized gains/losses, unrealized gains/losses, dividends and interest), that have not been associated with a particular retirement plan above are allocated in proportion to the "mean fund" using the following method:
 - i. Each plan's respective mean fund is calculated as the total of:
 - a. the prior year's year-end market value of assets (e.g., 12/31/2012 market value)
 - b. plus employer contributions paid to the plan during the year, weighted for the portion of the year after the date the contribution is made
 - c. minus any plan associated disbursements made during the year (such as lump sum payments, PBGC premium payments and fiduciary insurance premium payments), weighted for the portion of the year after the date the disbursement is made.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- d. minus any annuity payments made during the year, weighted for a $\frac{1}{2}$ year (assumes on the average disbursements are made in the middle of the year)
- ii. The mean fund for the individual plans are then totaled to produce a “total” mean fund.
- iii. Each plan’s share of the receipts/disbursements not associated with a specific plan is determined by applying the ratio of (i) divided by (ii) to each such receipt/disbursement.

Once each receipt and disbursement has been assigned or allocated among all the plans, the determination of each plan’s respective portion of the year-end market value of assets is calculated by totaling the respective plan’s beginning-of-year market value of assets, associated receipts and disbursements, and allocated share of receipts and disbursements not associated with a specific plan.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan’s eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant’s benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan’s valuation date is the beginning of the plan year.
- An individual’s **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual’s **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates. The plan’s **target normal cost** is the sum of the individual target normal costs, and the plan’s **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

Shortfall bases				
Year established		Outstanding balance	Years remaining	2014 Installment
2014	\$	13,847	7	\$ 2,317
Total	\$	13,847		\$ 2,317

Schedule SB, line 25 — Change in Method

The actuary changed from the prior valuation. The change in actuary resulted in a change to the valuation software used to produce the valuation results. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 5%.

Schedule SB, line 24 — Change in Actuarial Assumptions

- The administrative expenses added to the normal cost were updated to include 2013 non-investment expenses and an estimated increase in PBGC premiums due in 2014 for each plan.
- The salary scale assumption changed from 3.00% in 2013 to 0.50% in 2014.
- Inflation was updated from 3.25% to 2.50% per year based on current expectations.
- Social Security wage base and OASI average earnings were updated from 3.50% to 3.25% per year.
- Expected investment return was updated from 8.00% per year to 7.10% per year.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration 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 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		

- ▶ 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 PENSION PLAN FOR SALARIED BARGAINING UNIT EMPLOYEES	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">B Three-digit plan number (PN) ▶</td> <td style="width: 30%; text-align: center;">007</td> </tr> </table>	B Three-digit plan number (PN) ▶	007
B Three-digit plan number (PN) ▶	007		
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>2014</u>			
2 Assets			
a Market value	2a		346116
b Actuarial value	2b		318318
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	2	79292	79292
b For terminated vested participants	8	252873	252873
c For active participants	0	0	0
d Total	10	332165	332165
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	6.51%	
6 Target normal cost	6	3000	

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	 Signature of actuary JEREMY CLEAR, FSA, EA, MAAA Type or print name of actuary	<u>8/31/2015</u> Date 1406667 Most recent enrollment number 949-222-1300 Telephone number (including area code)
MERCER Firm name 17901 VON KARMAN AVENUE, SUITE 1100 IRVINE CA 92614 Address of the firm		

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)	0	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)	0	0
10 Interest on line 9 using prior year's actual return of <u>16.64%</u>	0	0
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(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.40%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		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)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	95.83%
15 Adjusted funding target attainment percentage	15	95.83%
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	108.60%
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
09/15/2015	6000	0			
Totals ▶	18(b)	6000		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 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	5388

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:
4.99%2nd segment:
6.32%3rd segment:
6.99%☐ N/A, full yield curve used**b** Applicable month (enter code) **21b** 4**22** Weighted average retirement age **22** 65**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** 3000**b** Excess assets, if applicable, but not greater than line 31a **31b** 0**32** Amortization installments:**a** Net shortfall amortization installment **Outstanding Balance** **Installment**
13847 2317**b** Waiver amortization installment**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** 5317

	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** 5317**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 5388**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 71**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**

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2014 Funding Valuation****Discount rate sponsor elections**

• Segment rates or full yield curve	Segment		
• Look-back months	4		
		<u>Stabilized</u>	<u>Nonstabilized</u>
• First 5 years		4.99%	1.37%
• Next 15 years		6.32%	4.05%
• Over 20 years		6.99%	5.06%

Mortality sponsor elections

• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
• Disabled participants	Same as healthy

Other economic assumptions

• Salary increases	0.50% per year
• Social Security wage base	3.25% per year
• Inflation	2.50% per year
• Expected investment return	7.10% per year
• Expenses	\$3,000 added to current year normal cost for expected administrative expenses

Demographic assumptions

• Withdrawal	See table of sample rates.
• Disability incidence	None.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Retirement age	Attained age	Percentage
	Under 57	0%
	57	2%
	58	2%
	59	2%
	60	4%
	61	5%
	62	5%
	63	15%
	64	12%
	65	20%
	66	30%
	67	50%
	68	30%
	69	20%
	70	20%
	71 and above	100%
• Benefit commencement age for		
— Future/current vested deferred	60	
• Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
— Percentage married	70%	70%
— Spouse age difference	2 years younger	2 years older
Form of payment	<u>Single life</u>	<u>50% J&S</u>
• Active retirements	70%	30%
• Future vested deferred	70%	30%
• Future disabilities	N/A	N/A
• Future deaths	0%	100%
• Current vested deferred	70%	30%
Unpredictable contingent event assumptions	Not applicable	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Table of Sample Rates***

Attained age	Withdrawal Rates
20	9.25%
25	7.75%
30	6.25%
35	5.00%
40	3.75%
45	2.50%
50	1.25%
55	0.00%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Methods****Asset Methods**

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

The method used to allocate Alexander & Baldwin, Inc. (A&B)'s retirement plans' Master Trust market value of assets is comprised of several steps:

1. Reconcile the master trust assets from the beginning of the plan year to the end of the plan year and identify the various receipts and disbursements items.
2. Identify which of those receipts and disbursements entries can be associated with a specific retirement plan. These entries include employer contributions paid to the Trust, benefit payments (including transfer of assets between retirement plans), PBGC premium payments, and fiduciary insurance premium payments that are paid from the Trust.
 - Mercer will receive a breakdown, by retirement plan, of all the non-purchased benefit payments paid during the year from John Hancock, Prudential and First Hawaiian Bank.
 - Employer contributions and PBGC premium payments are reported separately by retirement plan on the Trust statement.
 - The breakdown of fiduciary insurance premium payments by retirement plan will be provided by A&B.
3. The remaining receipts and disbursements, including investment expenses, and certain non-investment expenses and investment income earned (such as realized gains/losses, unrealized gains/losses, dividends and interest), that have not been associated with a particular retirement plan above are allocated in proportion to the "mean fund" using the following method:
 - i. Each plan's respective mean fund is calculated as the total of:
 - a. the prior year's year-end market value of assets (e.g., 12/31/2012 market value)
 - b. plus employer contributions paid to the plan during the year, weighted for the portion of the year after the date the contribution is made
 - c. minus any plan associated disbursements made during the year (such as lump sum payments, PBGC premium payments and fiduciary insurance premium payments), weighted for the portion of the year after the date the disbursement is made.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- d. minus any annuity payments made during the year, weighted for a $\frac{1}{2}$ year (assumes on the average disbursements are made in the middle of the year)
- ii. The mean fund for the individual plans are then totaled to produce a “total” mean fund.
- iii. Each plan’s share of the receipts/disbursements not associated with a specific plan is determined by applying the ratio of (i) divided by (ii) to each such receipt/disbursement.

Once each receipt and disbursement has been assigned or allocated among all the plans, the determination of each plan’s respective portion of the year-end market value of assets is calculated by totaling the respective plan’s beginning-of-year market value of assets, associated receipts and disbursements, and allocated share of receipts and disbursements not associated with a specific plan.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan’s eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant’s benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan’s valuation date is the beginning of the plan year.
- An individual’s **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual’s **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates. The plan’s **target normal cost** is the sum of the individual target normal costs, and the plan’s **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Part V — Summary of Plan Provisions**Summary of Major Plan Provisions**

Effective date and plan year	Restated plan: June 29, 2012 Plan year: January 1 – December 31
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
• Covered employees	All salaried employees who are covered under the agreement between Kauai Commercial Company (Clerical) and ILWU Local 142 who is not a leased employee or a "key employee".
• Participation	All covered employees become participants on the first day of the month coinciding with or next following completion of one year of service.
• Vesting service	All years of service, including periods of service with Former A&B Controlled Group.
• Credited service	All periods of service as an eligible employee.
• Compensation	Base compensation, including overtime and one-year annual bonuses
• Final average earnings	Average monthly Compensation earned during the sixty (60) consecutive months that produce the highest such average taken from the most recent one hundred twenty (120) months during which the employee was an eligible employee.
• Accrued benefit	The monthly benefit greater of (1) and (2), and Pre 1984 benefit: (1) 2.00% of Final Average Monthly Compensation less 1.50% of Monthly Primary Insurance Amount, times years of Credited Service up to 25, plus (2) 1.00% of Final Average Monthly Compensation less 0.75% of Monthly Primary Insurance Amount, times years of Credited Service in excess of 25.
Normal retirement	
• Eligibility	Normal Retirement Date: First day of the month coincident with or next following the attainment of age 65.
• Benefit	The accrued benefit determined as on Normal Retirement Date.
Early retirement	
• Eligibility	Age 55 and 5 years of service.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	The Normal Retirement Benefit for service to the Early Retirement Date multiplied by the following factors:		
	Age	If Terminated Before Age 55	If Terminated At or After Age 55
	55	0.50	0.64
	56	0.54	0.70
	57	0.58	0.76
	58	0.62	0.82
	59	0.66	0.88
	60	0.70	0.94
	61	0.76	0.97
	62	0.82	1.00
	63	0.88	1.00
	64	0.94	1.00
Late retirement			
• Eligibility	Retirement after Normal Retirement Date		
• Benefit	Participants continue to accrue benefits beyond Normal Retirement Date. Benefits earned in any non-suspendible month are subject to comparison between actuarially increased normal retirement benefit and benefit accruals. Benefits commencing after the April 1 following the calendar year in which the participant attains age 70½ are actuarially increased.		
Deferred vested			
• Eligibility	5 years of service		
• Benefit	The amount of Normal Retirement Benefit credited for service to the date of termination. Commence at age 65. Participant may elect a reduced early retirement benefit after age 55.		
Disability			
• Benefit	If an active participant 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.		
Pre-retirement death			
• Eligibility	Married at least 1 year, with 5 years of service or eligible for retirement.		

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	<p>The spouse receives 1/2 of the reduced 50% Joint and Survivor benefit that would have been in effect had the participant terminated on the date of death and survived to the date payments commenced, and then died immediately thereafter. The benefit is reduced for early retirement if the requested commencement date is before the participant's normal retirement date.</p> <p>If the participant's death occurs before the normal retirement date, this benefit is deferred until the date the participant would have reached age 65 (or if the participant had at least 5 years of service at death, at the spouse election, any time after the date the participant would have reached age 65).</p>
• Alternate benefit	<p>If the participant has met the early retirement eligibility, the spouse receives an immediate monthly annuity equal to the following percentage of the Normal Retirement Benefit but not less than surviving spouse's benefit described above/</p>

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

Form of benefits	
• Automatic form for unmarried participants	Single life annuity Lump sum of not more than \$5,000
• Automatic form for married participants	50% Joint & Survivor annuity Lump sum of not more than \$5,000
• Optional forms	Single life annuity 50%, 75% or 100% Joint & Survivor annuity
• Optional form conversion factors	<p>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 participant and seven years for contingent annuitants and an interest rate of 6.5% per year.</p> <p>Single life annuity is converted into an actuarially equivalent lump sum payment using the IRC 417(e) mortality and interest rates with four month look back.</p>

Schedule SB, Part V — Summary of Plan Provisions

Miscellaneous

- | | |
|------------------------|--|
| • Maximum compensation | Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. |
| • Maximum benefits | Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. |
-

Schedule SB, Part V — Summary of Plan Provisions***Benefits Included or Excluded***

Unless noted below, all benefits provided by the plan, as restated effective June 29, 2012, are included in this valuation.

- **Most recent plan amendments included:** This valuation reflects the provisions that include all the amendments made before and on January 1, 2014.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation does not include any late retirement increases.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued using benefits provided by the plan administrator.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2013 to 2014.

Schedule SB, line 24 — Change in Actuarial Assumptions

- The administrative expenses added to the normal cost were updated to include 2013 non-investment expenses and an estimated increase in PBGC premiums due in 2014 for each plan.
- The salary scale assumption changed from 3.00% in 2013 to 0.50% in 2014.
- Inflation was updated from 3.25% to 2.50% per year based on current expectations.
- Social Security wage base and OASI average earnings were updated from 3.50% to 3.25% per year.
- Expected investment return was updated from 8.00% per year to 7.10% per year.

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The actuary changed from the prior valuation. The change in actuary resulted in a change to the valuation software used to produce the valuation results. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 5%.

Schedule SB, line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

Shortfall bases				
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Total	\$	13,847		\$ 2,317