

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). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2014 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 MATSON NAVIGATION CO., INC. & SUBSIDIARIES 401K RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ▶</td> <td>022</td> </tr> <tr> <td>1c Effective date of plan</td> <td>07/01/1995</td> </tr> </table>	1b Three-digit plan number (PN) ▶	022	1c Effective date of plan	07/01/1995		
1b Three-digit plan number (PN) ▶	022						
1c Effective date of plan	07/01/1995						
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) MATSON, INC. 555 12TH STREET OAKLAND, CA 94607	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td>99-0032630</td> </tr> <tr> <td>2c Plan Sponsor's telephone number</td> <td>510-628-4000</td> </tr> <tr> <td>2d Business code (see instructions)</td> <td>488510</td> </tr> </table>	2b Employer Identification Number (EIN)	99-0032630	2c Plan Sponsor's telephone number	510-628-4000	2d Business code (see instructions)	488510
2b Employer Identification Number (EIN)	99-0032630						
2c Plan Sponsor's telephone number	510-628-4000						
2d Business code (see instructions)	488510						

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.	10/15/2015	BRENDA SOUTHWICK
	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)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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	5 275
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) 259
a(2) Total number of active participants at the end of the plan year	6a(2) 228
b Retired or separated participants receiving benefits	6b 2
c Other retired or separated participants entitled to future benefits.....	6c 17
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 247
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 1
f Total. Add lines 6d and 6e	6f 248
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 146
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
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: 2F 2G 2J 2R 2T 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 _____

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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.	<small>OMB No. 1210-0110</small> 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>MATSON NAVIGATION CO., INC. & SUBSIDIARIES 401K RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES</u>	B Three-digit plan number (PN) ► <u>022</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>MATSON, INC.</u>	D Employer Identification Number (EIN) <u>99-0032630</u>	

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: MATSON, INC. MASTER TRUST

b Name of sponsor of entity listed in (a): MATSON, INC.

c EIN-PN <u>99-0032630-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>20938908</u>
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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)

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
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plan sponsor**c** EIN-PN

SCHEDULE H (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>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 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>		
A Name of plan <u>MATSON NAVIGATION CO., INC. & SUBSIDIARIES 401K RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>022</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MATSON, INC.</u>	D Employer Identification Number (EIN) <u>99-0032630</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a	0	0
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	0	0
	(2) Participant contributions.....	1b(2)	0	0
	(3) Other.....	1b(3)	0	0
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	0
	(2) U.S. Government securities	1c(2)	0	0
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)	0	0
	(B) All other	1c(3)(B)	0	0
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)	0	0
	(B) Common.....	1c(4)(B)	0	0
	(5) Partnership/joint venture interests	1c(5)	0	0
	(6) Real estate (other than employer real property).....	1c(6)	0	0
	(7) Loans (other than to participants)	1c(7)	0	0
	(8) Participant loans.....	1c(8)	0	0
	(9) Value of interest in common/collective trusts	1c(9)	0	0
	(10) Value of interest in pooled separate accounts	1c(10)	0	0
	(11) Value of interest in master trust investment accounts	1c(11)	18698599	20938908
	(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	0	0
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other.....	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	18698599	20938908

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	18698599	20938908
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	7540	
(B) Participants	2a(1)(B)	1312258	
(C) Others (including rollovers)	2a(1)(C)	40006	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1359804
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		1481357
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		2841161

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	600852	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		600852
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		600852

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2240309
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: **DELOITTE & TOUCHE**

(2) EIN: **13-3891517**

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

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

Part IV Compliance Questions

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

During the plan year:

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.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		20000000
4e			
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	
4f			
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	
4g			
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	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
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	
4n			

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 V 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>MATSON NAVIGATION CO., INC. & SUBSIDIARIES 401K RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>022</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MATSON, INC.</u>	D Employer Identification Number (EIN) <u>99-0032630</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
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>04-6568107</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

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
-----------------	-------------------

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
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?.....	☐ Yes	☐ No

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): _____

MATSON AND SUBSIDIARIES 401(k) RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES

Employer ID Number: 99-0032630

Plan Number: 022

**FORM 5500, SCHEDULE H, PART IV, LINE 4i—SCHEDULE OF ASSETS
(HELD AT END OF YEAR)
AS OF DECEMBER 31, 2014**

Identity of Issue	Description of Asset	Current Value
* Matson, Inc. Defined Contribution Plans Master Trust	Investment in the Master Trust (Note 3)	\$ 20,938,908
	Adjustment from fair value to contract value for stable value fund	<u>(26,505)</u>
TOTAL		<u><u>\$ 20,912,403</u></u>

* Investment with party-in-interest to the Plan.

See accompanying independent auditors' report.

Matson and Subsidiaries 401(k) Retirement Savings Plan for Bargaining Unit Employees

Employer ID Number: 99-0032630
Plan Number: 022

Financial Statements as of and for the
Years Ended December 31, 2014 and 2013, and
Independent Auditors' Report

MATSON AND SUBSIDIARIES 401(k) RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES

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Form 5500, Schedule H, Part IV, Line 4i—Schedule of Assets (Held at End of Year) as of December 31, 2014	18
NOTE: All schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee and Members of
the Matson and Subsidiaries 401(k) Retirement
Savings Plan for Bargaining Unit Employees:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Matson and Subsidiaries 401(k) Retirement Savings Plan for Bargaining Unit Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2014 and 2013, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

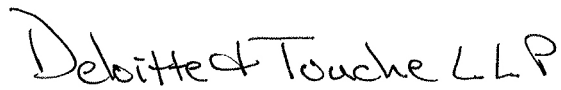
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule listed in the table of contents is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with Department of Labor Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

October 14, 2015

MATSON AND SUBSIDIARIES 401(k) RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS—Investment in the Master Trust—at fair value	<u>\$ 20,938,908</u>	<u>\$ 18,698,599</u>
NET ASSETS AVAILABLE FOR BENEFITS—At fair value	20,938,908	18,698,599
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY-BENEFIT RESPONSIVE STABLE VALUE FUND	<u>(26,505)</u>	<u>(13,879)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 20,912,403</u>	<u>\$ 18,684,720</u>

See notes to financial statements.

MATSON AND SUBSIDIARIES 401(k) RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
ADDITIONS:		
Appreciation from investment in Master Trust	\$ 1,468,731	\$ 2,889,672
Contributions from members	<u>1,359,804</u>	<u>1,738,896</u>
Total additions	2,828,535	4,628,568
DEDUCTIONS—Distributions to members	<u>(600,852)</u>	<u>(837,080)</u>
INCREASE IN NET ASSETS	2,227,683	3,791,488
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	<u>18,684,720</u>	<u>14,893,232</u>
End of year	<u>\$ 20,912,403</u>	<u>\$ 18,684,720</u>

See notes to financial statements.

MATSON AND SUBSIDIARIES 401(k) RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. DESCRIPTION OF PLAN

The following description of the Matson and Subsidiaries 401(k) Retirement Savings Plan for Bargaining Unit Employees (the “Plan”) is provided for general information purposes only. Members should refer to the Plan document for more complete information.

General—The Plan, sponsored by Matson, Inc. (the “Company”), is a defined contribution plan established on July 1, 1995, for Matson Navigation Company, Inc. and its subsidiaries. Matson Navigation Company, Inc. and Matson Terminals, Inc. are participating companies in the Plan with respect to certain of their bargaining unit employees. Such bargaining unit employees may elect to participate in the Plan on their employment commencement date.

The assets of the Plan are held in the Matson, Inc. Defined Contribution Plans Master Trust (the “Master Trust”). Fidelity Management Trust Company (“Fidelity”) serves as the trustee for the Master Trust. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Member Accounts—Individual accounts are maintained for each Plan member. Each member’s account is credited with the member’s contributions and allocations of Plan earnings and charged with an allocation of Plan losses and administrative expenses. Allocations are based on member earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Member Contributions—The provisions of the Plan provide each eligible employee with the opportunity of contributing a portion of his or her compensation each year without being taxed on the contribution. Members must designate a percentage (from 1% to 50%, in multiples of 1%) of their compensation to contribute to the deferred account. Under Plan provisions, the member’s contribution may not exceed 50% of his or her compensation, up to the maximum permitted by statute.

Catch-Up Contributions—In accordance with the Internal Revenue Code (IRC), this provision, which became effective August 1, 2002, allows members who are over age 50 or reach age 50 during the Plan year January 1 to December 31 to make additional contributions. The maximum annual catch-up contribution is \$5,500 in 2014 and 2013.

Rollover Accounts—Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Contributions are subject to certain Internal Revenue Code (IRC) limitations.

Investments—Members direct the investment of their contributions into various investment options offered by the Plan. The investments are held in a master trust for the Company’s defined contribution plans. The Plan currently offers 29 mutual funds and a stable value fund as investment options for members.

Vesting—Members are vested immediately in all their accounts, including earnings thereon.

Payment of Benefits—On termination of service due to death, disability, retirement, or termination for other reasons, a member may elect to receive distribution in the form of 1) a lump-sum amount equal to the value of the member's vested interest in his or her account or 2) direct rollover to an eligible retirement plan.

In-Service Withdrawals—A member may request an in-service hardship withdrawal of his rollover account balance, if any, and his deferred account contributions. A member who incurs a disability may request a withdrawal of up to 100% of his account balance. A member who is called to active duty in the uniformed services for more than 179 days or for an indefinite period may withdraw up to 100% of his deferred account balance as a qualified reservist distribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties—The Plan's investment in the Master Trust utilizes various investment instruments, including money market funds and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the value of the members' account balance and the amounts reported in the financial statements.

Valuation of Investment in the Master Trust—The Plan's investment in the Master Trust is stated at fair value, which has been determined based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date of the Master Trust. The Master Trust holds investments in cash and cash equivalents, the Plan sponsor's common stock, other common stock and preferred stock, money market funds, equity and fixed-income mutual funds, and a stable value fund. The fair values of cash and cash equivalents, common stocks and mutual funds are based on quoted market prices. Money market funds are stated at amortized cost, which approximates fair value. The stable value fund is stated at fair value and then adjusted to contract value. Fair value of the stable fund as determined by management is the net asset value of its underlying investments based on audited financial statements, and contract value is principal plus accrued interest. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held, during the year.

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

Management fees and operating expenses charged to the Plan for investments in the registered investment companies are deducted from income earned and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Administrative Expenses—Administrative expenses of the Plan are paid by either the Plan or the Plan’s sponsor, as provided in the Plan document.

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

Excess Contributions Payable—The Plan is required to return contributions received during the Plan year in excess of the IRC limits.

Subsequent Events—Subsequent events were evaluated through October 14, 2015, the date the financial statements were available to be issued.

New Accounting Pronouncements— In July 2015, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2015-12, *Plan Accounting: (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*, which amends Accounting Standards Codification (“ASC”) 960, *Plan Accounting – Defined Benefit Pension Plans*, ASC 962, *Plan Accounting – Defined Contribution Pension Plans*, and ASC 965, *Plan Accounting – Health and Welfare Benefit Plans*. Part I and Part II of the ASU simplify financial reporting requirements for benefit plans by eliminating or reducing certain investment disclosures. Part III provides an alternative method for measuring investments for plans having fiscal year-ends that do not fall on a month-end date. The new guidance is effective for reporting periods beginning after December 15, 2015 and shall be applied retrospectively for Part I and Part II and prospectively for Part III. Only Part I and Part II are applicable to the Plan. Upon adoption, the amended guidance is expected to have an impact on certain investment disclosures and no impact on net assets available for benefits.

In May 2015, the FASB issued ASU No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which amends ASC 820, *Fair Value Measurement*. Under this ASU, the carrying values of investments measured using the net asset value (“NAV”) per share practical expedient are no longer required to be categorized within the fair value hierarchy. The ASU also eliminates certain disclosure requirements for investments that are eligible for fair value measurement using the NAV per share practical expedient. The new guidance is effective for reporting periods beginning after December 15, 2016 and shall be applied retrospectively. Upon adoption, the amended guidance is expected to have a limited impact on certain fair value disclosures and no impact on net assets available for benefits.

3. INVESTMENT IN THE MASTER TRUST

The Master Trust is composed of 29 mutual funds, a stable value fund, participant-directed brokerage accounts which allow participants to directly invest in cash and cash equivalents, stocks or funds other than the Lifecycle or Core Investment Options offered, Alexander & Baldwin, Inc. (“A&B”) common stock and the Company’s common stock, some of which are specific to individual plans. The assets are invested and records are maintained by each investment fund option. Funds are allocated to the three participating plans (the “Plans”) (see below) in accordance with the Plans’ provisions and member allocation elections. The allocation of net assets available for benefits is based on the respective number

of units held by the Plans' members as of the Plans' year-ends. The allocation of the changes in net assets available for benefits is calculated daily based on the units held by the Plans' members as of that day's end.

At December 31, 2014 and 2013, the assets of the following Plans were combined in the Master Trust:

- Matson Individual Deferred Compensation and Profit Sharing Plan for Bargaining Unit Employees
- Matson Individual Deferred Compensation and Profit Sharing Plan for Salaried Non-Bargaining Employees
- Matson and Subsidiaries 401(k) Retirement Savings Plan for Bargaining Unit Employees

The fair values of investments in the Master Trust as of December 31, 2014 and 2013, were as follows:

	2014	2013
Investments—at fair value:		
Mutual funds	\$ 126,384,974	\$ 118,219,514
Stable value fund	18,675,944	19,671,810
Participant-directed brokerage accounts	5,507,991	4,407,710
Matson, Inc. common stock	3,501,308	2,838,235
Alexander & Baldwin, Inc. common stock	<u>1,732,706</u>	<u>1,866,329</u>
Total Master Trust investments—at fair value	155,802,923	147,003,598
Adjustment from fair value to contract value for fully benefit-responsive stable value fund	<u>(260,706)</u>	<u>(157,751)</u>
Total Master Trust investments	<u>\$ 155,542,217</u>	<u>\$ 146,845,847</u>

During 2014 and 2013, the Master Trust's investments (including gains and losses on investments bought, sold, as well as held, during the year) appreciated (depreciated) in value as follows:

	2014	2013
Appreciation (depreciation) of investments:		
Mutual funds	\$ 2,304,578	\$ 15,697,284
Stable value fund	(584,654)	1,523,860
Participant-directed brokerage accounts	898,127	832,837
Alexander & Baldwin, Inc. common stock	(114,423)	550,776
Matson, Inc. common stock	<u>789,610</u>	<u>76,314</u>
Net appreciation of investments	3,293,238	18,681,071
Interest and dividend income	<u>7,846,876</u>	<u>4,689,923</u>
Total Master Trust investment income	<u>\$ 11,140,114</u>	<u>\$ 23,370,994</u>

The Plan's interest in the Master Trust at December 31, 2014 and 2013, was \$20,938,908 and \$18,698,599, respectively, representing 13.4% and 12.7%, respectively, of the Master Trust's net assets.

During the years ended December 31, 2014 and 2013, the Plan's interest in the Master Trust appreciated by \$1,468,731 and \$2,889,672, respectively.

The Master Trust's investments that represented 5% or more of the Master Trust's net assets available for benefits as of December 31, 2014 and 2013, are as follows:

	2014	2013
Fidelity Growth Company Fund—Class K	\$ 30,080,524	\$ 28,394,468
Wells Fargo Stable Value Fund Class C, at contract value (Note 5)	18,415,237	19,514,059
BlackRock Equity Dividend Fund	13,562,302	14,674,109
Fidelity Freedom K 2020	11,032,771	
Pimco Total Return Fund Institutional Class	8,988,655	10,653,999
Vanguard 500 Index ADM	8,298,430	
Morgan Stanley Institutional Mid Cap Growth Fund Class I		8,023,377

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Asset Valuation Techniques—Valuation technologies maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Common stock is valued at the closing price reported on the active market on which the securities are traded, on the last business day of the Plan year. Common stock is categorized as Level 1.

Investments in mutual funds are valued at the publicly quoted net asset value of each fund and are categorized as Level 1. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. The total net asset value is calculated by multiplying the net asset value per share by the number of shares held as of the measurement date.

The stable value fund is valued by management based on the net asset value as stated in the audited financial statements of the underlying investment multiplied by the number of shares held as of the measurement date and is categorized as Level 2.

Cash and cash equivalents are valued at cost plus accrued interest.

A summary of the Master Trust's investments measured at fair value on a recurring basis as of December 31, 2014, set forth by level within the fair value hierarchy, is as follows:

	Master Trust Assets			
	Fair Value Measurements at December 31, 2014			
	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Master Trust				
Matson, Inc. common stock	\$ 3,501,308	\$ -	\$ -	\$ 3,501,308
Alexander & Baldwin, Inc. common stock	<u>1,732,706</u>	<u></u>	<u></u>	<u>1,732,706</u>
Total common stock investment	<u>5,234,014</u>	<u>-</u>	<u>-</u>	<u>5,234,014</u>
Mutual funds:				
Domestic stock funds	70,768,900			70,768,900
Bond funds	11,115,686			11,115,686
International stock funds	7,871,235			7,871,235
Alternative funds	4,578,461			4,578,461
Other (life cycle funds)	<u>32,050,692</u>	<u></u>	<u></u>	<u>32,050,692</u>
Total mutual funds	<u>126,384,974</u>	<u>-</u>	<u>-</u>	<u>126,384,974</u>
Participant-directed brokerage accounts:				
Cash and cash equivalents	529,214			529,214
Other mutual funds	1,234,397			1,234,397
Other common stock	<u>3,744,380</u>	<u></u>	<u></u>	<u>3,744,380</u>
Total participant-directed brokerage accounts	<u>5,507,991</u>	<u>-</u>	<u>-</u>	<u>5,507,991</u>
Stable value fund	<u></u>	<u>18,675,944</u>	<u></u>	<u>18,675,944</u>
Total Master Trust	\$ 137,126,979	\$ 18,675,944	\$ -	\$ 155,802,923

A summary of the Master Trust's investments measured at fair value on a recurring basis as of December 31, 2013, set forth by level within the fair value hierarchy, is as follows:

	Master Trust Assets			
	Fair Value Measurements at December 31, 2013			
	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Master Trust				
Matson, Inc. common stock	\$ 2,838,235	\$ -	\$ -	\$ 2,838,235
Alexander & Baldwin, Inc. common stock	<u>1,866,329</u>	<u> </u>	<u> </u>	<u>1,866,329</u>
Total common stock investment	<u>4,704,564</u>	<u>-</u>	<u>-</u>	<u>4,704,564</u>
Mutual funds:				
Domestic stock funds	68,942,332			68,942,332
Bond funds	13,278,283			13,278,283
International stock funds	8,747,661			8,747,661
Alternative funds	3,519,897			3,519,897
Other (life cycle funds)	<u>23,731,341</u>	<u> </u>	<u> </u>	<u>23,731,341</u>
Total mutual funds	<u>118,219,514</u>	<u>-</u>	<u>-</u>	<u>118,219,514</u>
Participant-directed brokerage accounts:				
Cash and cash equivalents	544,382			544,382
Other mutual funds	644,773			644,773
Other common stock	<u>3,218,555</u>	<u> </u>	<u> </u>	<u>3,218,555</u>
Total participant-directed brokerage accounts	<u>4,407,710</u>	<u>-</u>	<u>-</u>	<u>4,407,710</u>
Stable value fund	<u> </u>	<u>19,671,810</u>	<u> </u>	<u>19,671,810</u>
Total Master Trust	\$ 127,331,788	\$ 19,671,810	\$ -	\$ 147,003,598

Transfer between Levels—The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Plan management evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2014 and 2013, there were no transfers in or out of Level 1, Level 2, or Level 3.

A summary of the Master Trust's investments with a reported net asset value as of December 31, 2014 and 2013, is as follows:

Fair Value Estimated Using Net Asset Value per Share December 31, 2014					
Investment	Fair Value *	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Wells Fargo Stable Value Fund C ^(a)	<u>\$ 18,675,944</u>	<u>\$ -</u>	Immediate	None	None

Fair Value Estimated Using Net Asset Value per Share December 31, 2013					
Investment	Fair Value *	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Wells Fargo Stable Value Fund C ^(a)	<u>\$ 19,671,810</u>	<u>\$ -</u>	Immediate	None	None

* The fair values of the investments have been estimated by management using the net asset value of the underlying investment as stated in the audited financial statements.

^(a) Wells Fargo Stable Value Fund C has invested all of its assets in Wells Fargo Stable Return Fund G, a collective trust fund sponsored by Wells Fargo Bank, N.A. Wells Fargo Stable Return Fund G invests in investment contracts and security-backed contracts (see Note 5).

5. STABLE VALUE FUND

The Wells Fargo Stable Value Fund Class C (the "Fund") is a collective trust fund sponsored by Wells Fargo Bank, N.A. The Fund invests all of its assets in Wells Fargo Stable Return Fund G, a collective trust fund sponsored by Wells Fargo, N.A. The value of this investment of \$1,898,735 (9% of net assets available for benefits at fair value) as of December 31, 2014, and \$1,730,689 (9% of net assets available for benefits at fair value) as of December 31, 2013, is based on the underlying unit value reported by Wells Fargo Stable Return Fund G.

The beneficial interest of each participant is represented by units. The net asset value of the Fund is determined daily, and units are issued and redeemed at the latest net asset value. Net investment income, if any, and realized and unrealized gains on investments are not distributed.

Participants ordinarily may direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the Fund, plus earnings, less participant withdrawals and administrative expenses. The Fund imposes certain restrictions on the Plan, and the Fund itself may be subject to circumstances that affect its ability to transact at contract value. Plan management believes that the occurrence of events that would cause the Fund to transact at less than contract value is not probable.

Limitations on the Ability of the Fund to Transact at Contract Value

Restrictions on the Plan—Participant-initiated transactions are those transactions allowed by the Plan, including withdrawals for benefits, loans, or transfers to noncompeting funds within a plan, but excluding withdrawals that are deemed to be caused by the actions of the plan sponsor. The following employer-initiated events may limit the ability of the Fund to transact at contract value:

- A failure of the Plan or its trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA
- Any communication given to Plan participants designed to influence a participant not to invest in the Fund or to transfer assets out of the Fund
- Any transfer of assets from the Fund directly into a competing investment option
- The establishment of a defined contribution plan that competes with the Plan for employee contributions
- Complete or partial termination of the Plan or its merger with another plan

Circumstances That Affect the Fund—The Wells Fargo Stable Return Fund G invests in investment contracts and security-backed contracts. An investment contract is a contract issued by a financial institution to provide a stated rate of return to the buyer of the contract for a specified period of time. A security-backed contract has similar characteristics as a traditional investment contract and is comprised of two parts: the first part is a fixed-income security or portfolio of fixed-income securities; the second part is a contract value guarantee (“wrapper”) provided by a third party. Wrappers provide contract value payments for certain participant-initiated withdrawals and transfers, a floor crediting rate, and return of fully accrued contract value at maturity.

The wrap contracts generally contain provisions that limit the ability of the Fund to transact at contract value upon the occurrence of certain events. These events include:

- Any substantive modification of the Fund or the administration of the Fund that is not consented to by the wrap issuer
- Any change in law, regulation, or administrative ruling applicable to a plan that could have a material adverse effect on the Fund’s cash flow
- Employer-initiated transactions by participating plans as described above

In the event that wrap contracts fail to perform as intended, the Fund’s net asset value may decline if the market value of its assets declines. The Fund’s ability to receive amounts due pursuant to these wrap contracts is dependent on the third-party issuer’s ability to meet their financial obligations. The wrap issuer’s ability to meet its contractual obligations under the wrap contracts may be affected by future economic and regulatory developments.

The Fund is unlikely to maintain a stable net asset value if, for any reason, it cannot obtain or maintain wrap contracts covering all of its underlying assets. This could result from the Fund's inability to promptly find a replacement wrap contract following termination of a wrap contract. Wrap contracts are not transferable and have no trading market. There are a limited number of wrap issuers. The Fund may lose the benefit of wrap contracts on any portion of its assets in default in excess of a certain percentage of portfolio assets.

6. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth by ERISA. In the event that the Plan is terminated, participants would become 100% vested in their accounts.

7. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company, by a letter dated March 22, 2011, that the Plan is designed in accordance with the applicable regulations of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and operated in compliance with the applicable sections of the IRC, and the Plan and related trust continue to be tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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

8. DISTRIBUTIONS

There were no distributions payable to terminated employees included in net assets available for benefits for the years ended December 31, 2014 and 2013.

9. INFORMATION CERTIFIED BY TRUSTEE

The following is a summary of unaudited information regarding the Plan as of December 31, 2014 and 2013, and for the years then ended, included in the Plan's financial statements that was prepared by or derived from information prepared by the Plan's trustee, Fidelity, and furnished to the Plan administrator. The Plan administrator has obtained certifications from the trustee that such information is complete and accurate.

The adjustment from fair value to contract value for fully benefit responsive investments of \$26,505 and \$13,879, is excluded from the table below because the trustee did not certify the fair values of the Fund at December 31, 2014 and 2013. The contract value of the stable value fund was certified, however, as complete and accurate by the trustee. The Plan's allocation of the fair value of the Fund was calculated by management from the audited financial statements of the Fund.

	2014	2013
Statements of net assets available for benefits—investment in the Master Trust	<u>\$ 20,912,403</u>	<u>\$ 18,684,720</u>
Statements of changes in net assets available for benefits—appreciation from investment in Master Trust	<u>\$ 1,468,731</u>	<u>\$ 2,889,672</u>

Notes 3, 4, 5, 10, and 11: All investment balances and investment information have been certified by the trustee, except for the fair value of the stable value fund as of December 31, 2014 and 2013, and the classification and level of investments by level in Note 4, Fair Value Measurements.

10. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Master Trust investments are shares of mutual funds managed by Fidelity. Fidelity is the trustee as defined by the Plan, and therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund.

At December 31, 2014, the Master Trust held 101,410 shares of common stock of the Company, the sponsoring employer, with a cost basis of \$1,891,122. At December 31, 2013, the Master Trust held 108,680 shares of common stock of the Company, the sponsoring employer, with a cost basis of \$1,983,222.

During the years ended December 31, 2014 and 2013, the Master Trust recorded dividend income of \$74,532 and \$67,905, respectively, related to this common stock fund.

11. RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statement as of December 31, 2014 and 2013, to Form 5500 and the change in net assets available for benefits per the financial statements to the net income per the Form 5500 for the years ended December 31, 2014 and 2013:

	2014	2013
Net assets available for benefits per the financial statements	\$ 20,912,403	\$ 18,684,720
Adjustments from contract value to fair value for fully benefit-responsive stable value fund	<u>26,505</u>	<u>13,879</u>
Net assets available for benefits per Form 5500	<u>\$ 20,938,908</u>	<u>\$ 18,698,599</u>
Appreciation from investment in Master Trust per the financial statements	\$ 1,468,731	\$ 2,889,672
Adjustments from contract value to fair value for fully benefit-responsive stable value fund	<u>12,626</u>	<u>(36,829)</u>
Net investment gain from master trust investment accounts per Form 5500	<u>\$ 1,481,357</u>	<u>\$ 2,852,843</u>
Increase in net assets per the financial statements	\$ 2,227,683	\$ 3,791,488
Adjustments from contract value to fair value for fully benefit-responsive stable value fund	<u>12,626</u>	<u>(36,829)</u>
Net income per Form 5500	<u>\$ 2,240,309</u>	<u>\$ 3,754,659</u>

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SUPPLEMENTAL SCHEDULE

MATSON AND SUBSIDIARIES 401(k) RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES

Employer ID Number: 99-0032630

Plan Number: 022

**FORM 5500, SCHEDULE H, PART IV, LINE 4i—SCHEDULE OF ASSETS
(HELD AT END OF YEAR)
AS OF DECEMBER 31, 2014**

Identity of Issue	Description of Asset	Current Value
* Matson, Inc. Defined Contribution Plans Master Trust	Investment in the Master Trust (Note 3)	\$ 20,938,908
	Adjustment from fair value to contract value for stable value fund	<u>(26,505)</u>
TOTAL		<u><u>\$ 20,912,403</u></u>

* Investment with party-in-interest to the Plan.

See accompanying independent auditors' report.