

Alexander & Baldwin, Inc.
Form DEF 14A
March 18, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Alexander & Baldwin, Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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 - (1) Title of each class of securities to which transaction applies:
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 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
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822 Bishop Street, Honolulu, Hawaii 96813

March 18, 2015

To the Shareholders of Alexander & Baldwin, Inc.:

You are invited to attend the 2015 Annual Meeting of Shareholders of Alexander & Baldwin, Inc., to be held at A&B headquarters, 822 Bishop Street, Honolulu, Hawaii, on Tuesday, April 28, 2015 at 8:00 a.m. We look forward to the opportunity to meet with you and discuss the Company's performance during 2014.

Whether or not you now plan to attend the Annual Meeting, please vote as soon as possible. You may vote via the Internet, by telephone or by requesting a paper proxy card to complete and return by mail. Specific instructions for shareholders are included in the enclosed proxy or on a Notice of Internet Availability of Proxy Materials being distributed to shareholders on or around March 18, 2015.

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

Sincerely,

/s/ Stanley M. Kuriyama
STANLEY M. KURIYAMA
Chairman of the Board and Chief Executive Officer

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822 Bishop Street, Honolulu, Hawaii 96813

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Alexander & Baldwin, Inc. will be held at A&B headquarters at 822 Bishop Street, Honolulu, Hawaii, on Tuesday, April 28, 2015, at 8:00 a.m., Honolulu time, to:

1. Elect three Class III directors for a three-year term expiring at the 2018 Annual Meeting of Shareholders;
2. Conduct an advisory vote on executive compensation;
3. Ratify the appointment of the independent registered public accounting firm for the ensuing year; and
4. Transact such other business as properly may be brought before the meeting or any adjournment or postponement thereof.

The Board of Directors has set the close of business on February 19, 2015 as the record date for the meeting. Owners of Alexander & Baldwin, Inc. stock at the close of business on that date are entitled to receive notice of and to vote at the meeting. Shareholders will be asked at the meeting to present a valid photo identification. Shareholders holding stock in brokerage accounts must present a copy of a brokerage statement reflecting stock ownership as of the record date.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. PLEASE PROMPTLY VOTE VIA THE INTERNET OR BY TELEPHONE, OR REQUEST A PAPER PROXY CARD TO COMPLETE AND RETURN BY MAIL.

By Order of the Board of Directors,

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/s/ Alyson J. Nakamura
ALYSON J. NAKAMURA
Corporate Secretary

March 18, 2015

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To assist you in reviewing this Proxy Statement, we would like to call your attention to key elements of this document. The following description is only a summary. For more information, please read the complete Proxy Statement.

ANNUAL MEETING OF SHAREHOLDERS

Time and Date:	Tuesday, April 28, 2015, 8:00 a.m. HST
Place:	A&B Headquarters 822 Bishop Street Honolulu, Hawaii 96813
Record Date:	February 19, 2015
Voting:	Shareholders as of the record date are entitled to vote.
Admission:	Shareholders will be asked to present valid photo identification. Shareholders holding stock in brokerage accounts must present a copy of a brokerage statement reflecting stock ownership as of the record date.

MEETING AGENDA

Agenda Item	Board Recommendation	Page Reference
Election of 3 Class III directors	FOR each director nominee	2
Advisory vote on executive compensation	FOR	43
Ratify appointment of Deloitte & Touche LLP as our independent registered public accounting firm	FOR	45

BOARD NOMINEES

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

Name	Director Since	Occupation	Committees
Charles G. King	2012	President & Dealer Principal, King Auto Center	<ul style="list-style-type: none"> • Compensation, Chair • Nominating & Corporate Governance
Douglas M. Pasquale	2012	Founder & CEO of Capstone Enterprises Corporation	<ul style="list-style-type: none"> • Audit, Chair • Nominating & Corporate Governance
Jenai S. Wall		Chairman & CEO of Foodland Super Market, Ltd.	

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FINANCIAL HIGHLIGHTS

In 2014, the Company achieved net income of \$61.4 million, which represents a 65 percent year-over-year increase from \$37.2 million of adjusted net income(1) (excluding expenses incurred in 2013 for the acquisition of Grace Pacific) in 2013. Revenues in 2014 also were up \$560.0 million compared to 2013 revenues of \$365.2 million. In addition, A&B paid a modest quarterly dividend throughout 2014, including a dividend increase in the fourth quarter.

During 2014, A&B continued to focus on growing its asset base in Hawaii – the market it knows best and where it can fully leverage its knowledge and relationships to generate value for shareholders. The Company’s value creating strategies included growing, and advancing key projects in, the development pipeline; maximizing the value of the Company’s commercial portfolio, including continued migration of commercial properties from the U.S. Mainland to Hawaii; securing superior investments in real estate and in complementary businesses; and employing the Company’s 88,000 acres in Hawaii at their highest and best use.

(1) Refer to Page 42 for a reconciliation of 2013 adjusted net income.

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EXECUTIVE COMPENSATION

All elements of executive compensation are generally targeted at the 50th percentile of survey data. The Company firmly believes in pay for performance, to ensure alignment with the interests of the Company's shareholders and to drive the achievement of the Company's business objectives. Accordingly, the majority of executive compensation is tied to performance. Our Chief Executive Officer (CEO) received 70% of his target compensation in the form of performance-based pay, consisting of annual incentives (cash) and long-term incentives (equity), with the remaining 30% set as fixed pay. For our other Named Executive Officers, approximately 60% of their target compensation was performance-based with the remaining 40% set as fixed pay. In 2014, our executive compensation program received strong support from shareholders, with over 97% of the votes cast in approval of the program.

We encourage you to read our Compensation Discussion and Analysis (CD&A), which begins on page 16 and describes our pay for performance philosophy and each element of compensation. Our Board of Directors recommends approval, on an advisory basis, of the compensation of our Named Executive Officers, as further described in the CD&A and Proposal No. 2: Advisory Vote on Executive Compensation beginning on page 43.

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822 Bishop Street, Honolulu, Hawaii 96813

PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of Alexander & Baldwin, Inc. ("A&B" or the "Company") is soliciting proxies for the Annual Meeting of Shareholders to be held on April 28, 2015 and at any adjournment or postponement of the meeting (the "Annual Meeting").

In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission ("SEC"), instead of mailing a printed copy of our proxy materials to each shareholder of record, we are furnishing proxy materials on the Internet. You will not receive a printed copy of the proxy materials, unless you request it. If you would prefer to receive printed proxy materials, please follow the instructions for requesting such materials contained in the Notice of Internet Availability of Proxy Materials. This process is designed to expedite shareholders' receipt of proxy materials, lower the cost of the Annual Meeting and help conserve natural resources.

On or around March 18, 2015, we mailed to our shareholders (other than to certain street name shareholders or those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials, which contains instructions on how you may access and review on the Internet all of our proxy materials, including this Proxy Statement and our 2014 Annual Report to Shareholders. The Notice of Internet Availability of Proxy Materials also instructs you on how you may vote your proxy on the Internet.

Only shareholders of record at the close of business on February 19, 2015 are entitled to notice of and to vote at the Annual Meeting. On that date, there were 48,830,998 shares of common stock outstanding, each of which is entitled to one vote. Provided a quorum is present, a majority of the votes cast will be necessary for the ratification of the appointment of the independent registered public accounting firm, and for the approval, on an advisory basis, of our executive compensation. Directors are elected by a plurality of votes cast, provided a quorum is present. Abstentions and broker non-votes will be included for purposes of establishing a quorum at the Annual Meeting. However, abstentions and broker non-votes will have no effect on the voting results for any matter, as they are not considered to be votes cast.

Officers, employees and directors of A&B and its subsidiaries may, without additional compensation, solicit proxies by telephone or by other appropriate means. Arrangements also will be made with brokerage firms and other persons that are record holders of A&B's common stock to forward proxy soliciting material to the beneficial owners of the stock, and A&B will reimburse those record holders for their reasonable expenses. A&B has retained the firm of Morrow & Co., Inc. to assist in the solicitation of proxies, at a cost of \$10,000 plus reasonable

out-of-pocket expenses.

You may revoke your proxy or change your vote any time before it is voted at the Annual Meeting by:

- Filing a written revocation with the Corporate Secretary;
- Submitting a later-dated proxy or a later-dated vote by Internet or telephone; or
- Voting in person at the Annual Meeting.

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This Proxy Statement and the enclosed proxy are being mailed to shareholders, and are being made available on the Internet at www.alexanderbaldwin.com, on or about March 18, 2015. You may contact Stacy Mercado at (808) 525-6661 to obtain directions to the site of the Annual Meeting.

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

PROPOSAL NO. 1: ELECTION OF CLASS III DIRECTORS

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

Director Nominees and Qualification of Directors. The Class III nominees of the Board of Directors are the three persons named below. Mr. King and Mr. Pasquale are current members of the Board of Directors. The Board of Directors believes that all nominees will be able to serve. However, if any nominee should decline or become unable to serve for any reason, shares represented by the accompanying proxy will be voted for the replacement person nominated by the Board of Directors. Each director nominee identified below was unanimously nominated by the Board at the recommendation of the Nominating and Corporate Governance Committee.

Under A&B's retirement policy for directors, Jeffrey N. Watanabe, who has served as a director of A&B or A&B Predecessor since 2003, is retiring from the Board at the Annual Meeting. In addition to his service as a director, Mr. Watanabe served as the Lead Independent Director of A&B since June 2012, served on the Nominating and Corporate Governance Committee since 2004 and as its Chair since 2014, served on the Audit Committee from 2003 to 2004, and served on the Compensation Committee from 2004 through 2012. The Board and management thank Mr. Watanabe for his years of service and valued advice.

The following table provides the name, age (as of March 31, 2015), and principal occupation of each person nominated by the A&B Board and each director continuing in office, their business experience during at least the last five years, the year each first was elected or appointed a director and qualifications of each director. Our Board members have a diverse range of perspectives and are knowledgeable about our businesses. Each director contributes in establishing a board climate of trust and respect, where deliberations are open and constructive. In selecting nominees, the Board has considered these factors and has reviewed the qualifications of each nominated director, which includes the factors reflected below.

Charles G. King

Age: 69

Director Since: 2012

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- President and Dealer Principal, King Auto Center, Kauai (automobile dealership) since October 1995
- Managing General Partner, Kaonoulu Ranch, LLLP (agricultural and real estate investments) since November 2013
- Dealer Principal, King Infiniti of Honolulu (automobile dealership) from April 2004 through August 2013
- Director of A&B Predecessor from April 1989 through June 2012

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Director Qualifications

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

Douglas M. Pasquale

Age: 60

Director Since: 2012

- Founder and Chief Executive Officer of Capstone Enterprises Corporation (investment and consulting firm) since January 2012
- Director of Ventas, Inc. (NYSE:VTR) (Ventas) (healthcare real estate investment trust) since July 2011
- Senior Advisor to the Chief Executive Officer of Ventas from July 2011 through December 2011 upon Ventas's acquisition of Nationwide Health Properties, Inc. (formerly NYSE:NHP) (NHP) in July 2011
- Chairman of the Board, President and Chief Executive Officer of NHP (healthcare real estate investment trust) from May 2009 to July 2011; President and Chief Executive Officer of NHP from April 2004 to July 2011; Executive Vice President and Chief Operating Officer of NHP from November 2003 to April 2004
- Director of NHP from November 2003 through July 2011
- Chairman of the Board and Chief Executive Officer of ARV Assisted Living, Inc. from December 1999 to September 2003 and, concurrently, President and Chief Executive Officer of Atria Senior Living Group from April 2003 to September 2003
- Director of Terreno Realty Corporation (NYSE:TRNO) (Terreno) since February 2010
- Director of Sunstone Hotel Investors, Inc. (NYSE:SHO) since November 2011
- Director of DineEquity, Inc. (NYSE:DIN) since March 2013
- Director of A&B Predecessor from April 2005 through June 2012

Director Qualifications

As Chief Executive Officer of Capstone Enterprises and as former President, Chief Executive Officer and Chairman of the Board of Nationwide Health Properties, Inc. prior to its merger in July 2011 with Ventas, Mr. Pasquale contributes experience in real estate, one of A&B's main businesses, as well as experience in finance, accounting and managing a complex business organization. This experience has provided Mr. Pasquale with financial expertise, and he has been designated by the Board of Directors as an Audit Committee Financial Expert. He also has board experience, including his service on the boards of other publicly traded companies.

Jenai S. Wall

Age: 56

Director Since: N/A

- Chairman and Chief Executive Officer of Foodland Super Market, Ltd. (Foodland), Food Pantry, Ltd. and Kalama Beach Corporation since 1998

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Director Qualifications

As Chairman and Chief Executive Officer of Foodland, the largest locally-owned grocery retailer in Hawaii, and other entities in its family of companies, Ms. Wall brings to the Board experience in managing complex business organizations, and retail and financial expertise. She also has board experience through her service on various corporate and non-profit boards, and is knowledgeable about Hawaii and A&B's operating markets through her involvement in the Hawaii business community and local community organizations.

CONTINUING DIRECTORS

Continuing Class I Directors Whose Terms Expire at the 2016 Annual Meeting

Robert S. Harrison

Age: 54

Director Since: 2012

- Chairman of the Board of First Hawaiian Bank (FHB) since May 2013
- Chief Executive Officer and Director of FHB since January 2012
- President of FHB since December 2009
- Chief Operating Officer of FHB from December 2009 through December 2011
- Vice Chairman of FHB from December 2007 to December 2009
- Chief Risk Officer of FHB from January 2006 to December 2009

Director Qualifications

As Chairman, President and Chief Executive Officer of FHB, Hawaii's largest financial institution, Mr. Harrison brings to the Board experience in managing complex business organizations. He also has banking and financial expertise, and has been designated by the Board of Directors as an Audit Committee Financial Expert. Mr. Harrison has board experience through his service on various corporate and non-profit boards, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

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Michele K. Saito

Age: 55

Director Since: 2012

- President and Director of DTRIC Insurance Company (insurance) since March 2014
- Chief Operating Officer of Healthways Hawaii (healthcare) from March 2013 through July 2013
- President and Director of Farmers Insurance Hawaii (Farmers) from January 2010 through August 2012
- Executive Vice President and Chief Operating Officer of AIG Hawaii/Farmers from April 2009 through December 2009
- Senior Vice President, Secretary and Treasurer of AIG Hawaii from 2001 through March 2009
- Vice President of Finance and Operations of AIG Hawaii from 1995 through 2000

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Director Qualifications

As President of DTRIC Insurance Company and former President of Farmers, two of Hawaii's largest insurance companies, Ms. Saito brings to the Board experience in managing a complex business organization and financial and accounting expertise. Ms. Saito also has board experience, including her service on various corporate and non-profit boards, and is knowledgeable about Hawaii and A&B's operating markets through her involvement in the Hawaii business community and local community organizations.

Eric K. Yeaman

Age: 47

Director Since: 2012

- President, Chief Executive Officer and Director of Hawaiian Telcom Holdco, Inc. (NYSE:HCOM) (Hawaiian Telcom) (telecommunications) since June 2008
- Chief Operating Officer of Hawaiian Electric Company, Inc. (HECO) from January 2008 through June 2008
- Financial Vice President, Treasurer and Chief Financial Officer of Hawaiian Electric Industries, Inc. (NYSE: HE) (HEI) from January 2003 through January 2008
- Chief Operating Officer and Chief Financial Officer of The Kamehameha Schools from 2000 to January 2003
- Director, Alaska Air Group, Inc., (NYSE:ALK) since November 2012

Director Qualifications

As President and Chief Executive Officer of Hawaiian Telecom, the state's leading integrated communications company, Mr. Yeaman brings to the Board experience in managing complex business organizations. He also has financial and accounting expertise, and has been designated by the Board of Directors as an Audit Committee Financial Expert. Mr. Yeaman has board experience, including his service on the boards of other publicly traded companies. He is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Continuing Class II Directors Whose Terms Expire at the 2017 Annual Meeting

W. Allen Doane

Age: 67

Director Since: 2012

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- Director of A&B since June 2012
- Director of A&B Predecessor from October 1998 through June 2012
- Chairman of the Board of A&B Predecessor from April 2006 through December 2009
- Chief Executive Officer of A&B Predecessor from October 1998 through December 2009
- President of A&B Predecessor from October 1998 through September 2008
- Director of A&B Predecessor's subsidiary, Matson Navigation Company, Inc. (MNC) since October 1998, Chairman of the Board of MNC from April 2006 through September 2008 and from July 2002 to January 2004

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Director Qualifications

As a member of A&B Predecessor's senior management team for almost two decades, Mr. Doane, who was Chief Executive Officer and Chairman of the Board of A&B Predecessor until his retirement from those positions in 2009, brings to the Board an in-depth knowledge of all aspects of the Company's real estate and agribusiness operations. Mr. Doane has financial and board experience, including his service on various corporate and non-profit boards, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

David C. Hulihee

Age: 66

Director Since: 2013

- President and Chief Executive Officer of Grace Pacific LLC, formerly Grace Pacific Corporation (Grace Pacific) since August 2008
- Chairman of the Board and President of Royal Contracting Co., Ltd. since December 1971
- Chairman of the Board of Grace Pacific from August 2008 through September 2013

Director Qualifications

As President and Chief Executive Officer of Grace Pacific and Chairman of the Board and President of Royal Contracting Co., Ltd., both major Hawaii infrastructure and construction companies, Mr. Hulihee brings to the Board construction, development and financial expertise and experience in managing complex business organizations. Mr. Hulihee has board experience, including his service on various corporate and non-profit boards, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

Stanley M. Kuriyama

Age: 61

Director Since: 2012

- Chairman of the Board and Chief Executive Officer of A&B since June 2012
- Director and Chief Executive Officer of A&B Predecessor from January 2010 through June 2012
- President of A&B Predecessor from October 2008 through June 2012

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- President and Chief Executive Officer, A&B Predecessor Land Group from July 2005 through September 2008
- Chief Executive Officer and Vice Chairman of A&B Predecessor's subsidiary, A&B Properties, Inc., from December 1999 through September 2008
- Director and Chairman of the Board of MNC from September 2009 through June 2012

Director Qualifications

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

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CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

Director Independence. The Board has reviewed each of its current directors and nominees and has determined that all such persons, with the exception of Mr. Kuriyama and Mr. Hulihee, who are executive officers of A&B or its subsidiaries, are independent under New York Stock Exchange (NYSE) rules. In making its independence determinations, the Board considered the transactions, relationships or arrangements in Certain Information Regarding Directors and Executive Officers Certain Relationships and Transactions below, as well as the following: Mr. Doane his status as a former executive officer of A&B Predecessor, banking relationships with First Hawaiian Bank, an entity of which Mr. Doane is a director, and a reservation to purchase a condominium unit in an A&B project at full market price; Mr. Harrison A&B s banking relationships with First Hawaiian Bank, an entity of which Mr. Harrison is Chairman of the Board, President and Chief Executive Officer; Mr. Watanabe A&B s banking relationships with American Savings Bank, an entity of which Mr. Watanabe is a director, and electricity sales by a division of A&B to a subsidiary of HEI, an entity of which Mr. Watanabe is Non-Executive Chairman of the Board; and Mr. Yeaman telephone and other communication services provided to A&B by Hawaiian Telcom, an entity of which Mr. Yeaman is President and Chief Executive Officer; and Ms. Wall A&B s banking relationships with First Hawaiian Bank, an entity of which Ms. Wall is a director.

Board Leadership Structure. The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. The Board understands that there is no single, generally accepted approach to providing Board leadership and that given the dynamic and competitive environment in which we operate, the right Board leadership structure may vary as circumstances warrant. The Board currently has a combined Chairman of the Board and Chief Executive Officer (CEO) and a Lead Independent Director. The Board has chosen this leadership structure at this time because it believes the structure is in the best interests of the Company and its shareholders, as it provides unified leadership and accountability, in quickly and seamlessly identifying and carrying out strategic priorities of the Company. With its Lead Independent Director, this governance structure also provides a form of leadership that allows the Board to function independently from management, capable of objective judgment regarding management s performance, and enables the Board to fulfill its duties effectively and efficiently. The Lead Independent Director s duties include consulting with the Chairman of the Board on agendas and meeting schedules, facilitating the process for the Board s self-evaluation, presiding at Board meetings in the absence of the Chairman, presiding at executive sessions of non-management Directors, and facilitating communication between the Independent Directors and the Chairman and Chief Executive Officer. Mr. Watanabe has served as Lead Independent Director since 2012 and will be retiring from the Board effective as of the Annual Meeting; Charles G. King has been appointed as Lead Independent Director upon Mr. Watanabe s retirement. The Board has determined that its leadership structure is appropriate for A&B at this time.

The Board s Role in Risk Oversight. The Board has oversight of the risk management process, which it administers in part through the Audit Committee. One of the Audit Committee s responsibilities involves discussing policies regarding risk assessment and risk management. Risk oversight plays a role in all major Board decisions and the evaluation of risk is a key part of the decision-making process. For example, the identification of risks and the development of sensitivity analyses are key requirements for capital requests that are presented to, and evaluated by, the Board.

This risk management process occurs throughout all levels of the organization, but is also facilitated through a formal process in which a risk management working group is tasked with identifying significant risks through regular discussions with all levels of management. Risk management is reflected in the Company s compliance, auditing and risk management functions, and its risk-based approach to strategic and operating decision-making. Management reviews its risk management activities with the Audit Committee and the full Board of Directors on a regular basis. In addition, risk management perspectives from each of A&B s business segments are included in the Company s operating and strategic plans. The Board believes that its current leadership structure is conducive to the risk oversight process.

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Pay Risk Assessment. The Compensation Committee has a formal review process to regularly consider and discuss the compensation policies, plans and structure for all of the Company's employees, including the Company's executive group, to ascertain whether any of the compensation programs and practices create risks or motivate risky behavior that are reasonably likely to have a material adverse effect on the Company. Management has worked with the Compensation Committee to review all Company incentive plans and related policies and practices, and the overall structure and positioning of total pay, pay mix, the risk management process and related internal controls.

Based on its formal review process, the Compensation Committee concluded that there continues to be no material adverse effects due to pay risk. Management and the Compensation Committee concluded that A&B's employee compensation programs represent an appropriate balance of fixed and variable pay, cash and equity, short-term and long-term compensation, financial and non-financial performance, and an appropriate level of enterprise-wide risk oversight. Various policies are in place to mitigate any compensation-related risk, including:

- minimum stock ownership guidelines
- vesting periods on equity
- capped incentive payments
- use of multiple performance metrics
- use of multiple organizational performance levels
- reasonable payout curves tied to performance (e.g., incentive pool funding at 50% at threshold, 100% at target, 200% maximum at extraordinary, with linear interpolation between each goal); individual awards can be further modified, ranging from 0% (no award) to 150%, so long as the aggregate incentive pool is not exceeded (zero sum)
- review of goal-setting by the Compensation Committee to ensure that goals are reasonable
- mix of pay that is consistent with competitive practices for organizations similar in size
- insider trading and hedging prohibitions
- a compensation clawback policy
- oversight by a Compensation Committee composed of independent directors

Board of Directors and Committees of the Board. The Board of Directors held six meetings during 2014. In conjunction with five of these meetings, the non-management directors of A&B met in formally-scheduled executive sessions, led by Mr. Watanabe, the Lead Independent Director. Mr. Watanabe will be retiring from the Board effective as of the Annual Meeting; Charles G. King has been appointed as Lead Independent Director upon Mr. Watanabe's retirement. In 2014, all directors were present at 100% of the meetings of the A&B Board of Directors and Committees of the Board on which they serve. The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, each of which is governed by a charter, which is available on the corporate governance page of A&B's website, www.alexanderbaldwin.com.

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

- Mr. Pasquale, Chairman
- Mr. Harrison
- Mr. Yeaman

The Board has determined that each member is independent under the applicable NYSE listing standards and SEC rules. In addition, the Board has determined that Messrs. Pasquale, Harrison and Yeaman are audit committee financial experts under SEC rules. The duties and responsibilities of the Audit Committee are set forth in a written charter adopted by the Board of Directors, and are summarized in the Audit Committee Report, which appears in this Proxy Statement. The Audit Committee met five times during 2014.

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

- Mr. King, Chairman
- Ms. Saito
- Mr. Doane

The Board has determined that each member is independent under the applicable NYSE listing standards. The Compensation Committee has general responsibility for management and other salaried employee compensation and benefits, including incentive compensation and stock incentive plans, and for making recommendations on director compensation to the Board. The Compensation Committee may form subcommittees and delegate such authority as the Committee deems appropriate, subject to any restrictions by law or listing standard. For further information on the processes and procedures for consideration of executive compensation, see the Compensation Discussion and Analysis section below. The Compensation Committee met four times during 2014.

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

- Mr. Watanabe, Chairman
- Mr. King
- Mr. Pasquale

The Board has determined that each member is independent under the applicable NYSE listing standards. The functions of the Nominating Committee include recommending to the Board individuals qualified to serve as directors; recommending to the Board the size and composition of committees of the Board and monitoring the functioning of the committees; advising on Board composition and procedures; reviewing corporate governance issues; overseeing the annual evaluation of the Board; and ensuring that an evaluation of management is occurring. The Nominating Committee met four times during 2014.

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

The Nominating Committee will consider director candidates recommended by shareholders. In considering such candidates, the Nominating Committee will take into consideration the needs of the Board and the qualifications of the candidate. To have a candidate considered by the Nominating Committee, a shareholder must submit a written recommendation that includes the name of the shareholder, evidence of the

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shareholder's ownership of A&B stock (including the number of shares owned and the length of time of ownership), the name of the candidate, the candidate's qualifications to be a director and the candidate's consent for such consideration.

The shareholder recommendation and information described above must be sent to the Corporate Secretary at 822 Bishop Street, Honolulu, Hawaii, 96813 and must be received not less than 120 days before the anniversary of the date on which A&B's Proxy Statement was released to shareholders in connection with the previous year's annual meeting.

The Nominating Committee believes that the minimum qualifications for serving as a director are high ethical standards, a commitment to shareholders, a genuine interest in A&B and a willingness and ability to devote adequate time to a director's duties. The Nominating Committee also may consider other factors it deems to be in the best interests of A&B and its shareholders, such as business experience, financial expertise, knowledge and involvement in Hawaii

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

Once a potential candidate has been identified by the Nominating Committee, the Nominating Committee reviews information regarding the person to determine whether the person should be considered further. If appropriate, the Nominating Committee may request information from the candidate, review the person's accomplishments, qualifications and references, and conduct interviews with the candidate. The Nominating Committee's evaluation process does not vary based on whether or not a candidate is recommended by a shareholder.

Ms. Wall was recommended as a director candidate to the Nominating Committee by the CEO and non-management directors.

Corporate Governance Guidelines. The Board of Directors has adopted Corporate Governance Guidelines to assist the Board in the exercise of its responsibilities and to promote the more effective functioning of the Board and its committees. The guidelines provide details on matters such as:

- Goals and responsibilities of the Board
- Selection of directors, including the Chairman of the Board
- Board membership criteria and director retirement age
- Stock ownership guidelines
- Director independence, and executive sessions of non-management directors
- Board self-evaluation
- Board compensation
- Board access to management and outside advisors
- Board orientation and continuing education
- Leadership development, including annual evaluations of the CEO and management succession plans

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

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Code of Ethics. A&B has adopted a Code of Ethics (the Code) that applies to the CEO, Chief Financial Officer (CFO) and Controller. A copy of the Code is posted on the corporate governance page of A&B s corporate website, www.alexanderbaldwin.com. A&B intends to disclose any changes in or waivers from its Code by posting such information on its website.

Code of Conduct. A&B has adopted a Code of Conduct, which is applicable to all directors, officers and employees, and is posted on the corporate governance page of A&B s corporate website, www.alexanderbaldwin.com.

Compensation of Directors. The following table summarizes the compensation earned by or paid to our directors (other than Mr. Kuriyama, whose compensation is included in the Summary Compensation Table) for services as a member of our Board of Directors for the period from January 1, 2014 through December 31, 2014 (except for Mr. Hulihee, who is an employee of the Company and does not receive compensation for serving as a director).

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Name (a)	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
	(\$) (b)	(\$) (1) (c)	(\$) (2) (d)	(\$) (e)	(\$) (f)	(\$) (g)	(\$) (h)
W. Allen Doane	61,481	90,010	0	0	N/A	3,000(3)	\$ 154,491
Walter A. Dods, Jr. (4)	25,879	0	0	0	N/A	0	\$ 25,879
Robert S. Harrison	65,000	90,010	0	0	N/A	0	\$ 155,010
David C. Hulihee (5)	0	0	0	199,668(6)	0	420,010(7)	\$ 619,678
Charles G. King	79,500	90,010	0	0	316(8)	2,000(3)	\$ 171,826
Douglas M. Pasquale	85,000	90,010	0	0	N/A	0	\$ 175,010
Michele K. Saito	63,500	90,010	0	0	N/A	0	\$ 153,510
Jeffrey N. Watanabe	92,048	90,010	0	0	N/A	0	\$ 182,058
Eric K. Yeaman	64,506	90,010	0	0	N/A	0	\$ 154,516

(1) Represents the aggregate grant-date fair value of restricted stock unit awards granted in 2014 as computed under ASC Topic 718. See note 14 of the consolidated financial statements of the Company's 2014 Annual Report on Form 10-K regarding the assumptions underlying the valuation of equity awards. At the end of 2014, Messrs. Doane, Pasquale and Watanabe each had 5,528 restricted stock units, Mr. King had 30,192 restricted stock units, Mr. Harrison, Ms. Saito and Mr. Yeaman each had 5,259 restricted stock units and Mr. Hulihee had no restricted stock units.

(2) No new options have been granted by A&B or by A&B Predecessor since 2007. The aggregate number of stock option awards outstanding at the end of 2014 for each director is as follows: Mr. Doane, Mr. Harrison, Mr. Pasquale, Ms. Saito and Mr. Yeaman 0 shares; Mr. King 16,422 and Mr. Watanabe 32,844 shares.

(3) Represents charitable contributions under the matching gifts program described on page 12 below.

(4) Under A&B's retirement policy for directors, Mr. Dods retired from the Board of Directors on April 29, 2014.

(5) Mr. Hulihee is an employee of A&B and accordingly does not receive compensation for serving as a director.

(6) Represents the payout for 2014 under the Alexander & Baldwin, Inc. Performance Improvement Incentive Plan (PIIP).

(7) Represents the salary paid to Mr. Hulihee.

(8) Mr. King's amount is attributable to the aggregate change in the actuarial present value of his accumulated benefit under a defined benefit pension plan, which was frozen in 2004. No other A&B director is eligible to obtain benefits from the plan.

Our Board of Directors approved the following non-employee director compensation schedule of annual fees, which was developed with the assistance of Towers Watson & Co. (Towers Watson):

- Annual Retainer \$56,000
- Lead Director (additional) \$25,000
- Committee Chairs (additional)
- Audit Chair \$14,000
- Compensation Chair \$10,000
- Nominating and Governance Chair \$7,500

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- Committee Members (additional)
- Audit Member \$9,000
- Compensation Member \$7,500
- Nominating and Corporate Governance Member \$6,000
- Annual Equity Award \$90,000

For any telephonic or in-person meetings in excess of seven A&B Board meetings, a per meeting fee of \$750 will be paid. For any telephonic or in-person meetings in excess of six meetings for the Audit Committee, five meetings for the Compensation Committee, and four meetings for the Nominating and Corporate Governance Committee, a fee of \$750 per meeting will be paid. Under the terms of the Alexander & Baldwin, Inc. 2012 Incentive Compensation Plan (2012 Plan), an automatic grant of approximately \$90,000 in restricted stock units is made to each director who is elected or re-elected as a non-employee director of A&B at each Annual Meeting of Shareholders or upon appointment as a director. These awards vest in equal increments of one-third each over three years. Non-employee directors may defer all or a portion of their vested shares until cessation of board service or the fifth anniversary of the award date. Non-employee directors may defer half or all of their annual cash retainer and meeting fees until retirement or until a later date they may select; no directors have deferred any of these fees as of December 31, 2014. Directors who are employees of A&B or its subsidiaries do not receive compensation for serving as directors.

Under A&B Predecessor s retirement plan for directors, which was frozen effective December 31, 2004, a director with five or more years of service will receive a lump-sum payment upon retirement or attainment of age 65, whichever is later, that is actuarially equivalent to a payment stream for the life of the director consisting of 50 percent of the amount of the annual retainer fee in effect on December 31, 2004, plus 10 percent of that amount for each year of service as a director over five years (up to an additional 50 percent). Only Mr. King has an accrued benefit under the retirement plan for directors.

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

Director Share Ownership Guidelines. The Board has adopted Share Ownership Guidelines that encourages each non-employee director to own A&B common stock (including restricted stock units) with a value of five times the amount of the current cash retainer of \$56,000, within five years of becoming a director. All directors have met the established guidelines.

Communications with Directors. Shareholders and other interested parties may contact any of the directors by mailing correspondence c/o A&B Law Department to A&B s headquarters at 822 Bishop Street, Honolulu, Hawaii 96813. The Law Department will forward such correspondence to the appropriate director(s). However, the Law Department reserves the right not to forward any offensive or otherwise inappropriate materials.

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In addition, A&B's directors are encouraged to attend the Annual Meeting of Shareholders. All of the A&B directors attended the 2014 Annual Meeting.

SECURITY OWNERSHIP OF CERTAIN SHAREHOLDERS

The following table lists the names and addresses of the only shareholders known by A&B on February 19, 2015 to have owned beneficially more than five percent of A&B's common stock outstanding, the number of shares they beneficially own, and the percentage of outstanding shares such ownership represents, based upon the most recent

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reports filed with the SEC. Except as indicated in the footnotes, such shareholders have sole voting and dispositive power over shares they beneficially own.

Name and Address of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
BlackRock, Inc.	4,975,136(a)	10.2%
40 East 52nd Street		
New York, NY 10022		
Piper Jaffray Companies	2,856,221(b)	5.8%
800 Nicollet Mall, Suite 800		
Minneapolis, MN 55402		
The Vanguard Group		
100 Vanguard Blvd.		
Malvin, PA 19355		