

Alexander & Baldwin, Inc.

Form DEF 14A

March 14, 2014

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant ☒ [X]

Filed by a Party other than the Registrant ☐ [ ]

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Check the appropriate box:

☐ [ ] Preliminary Proxy Statement

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ALEXANDER & BALDWIN, INC.

(Name of Registrant as Specified in its Charter)

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

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822 Bishop Street, Honolulu, Hawaii 96813

March 14, 2014

To the Shareholders of Alexander & Baldwin, Inc.:

You are invited to attend the 2014 Annual Meeting of Shareholders of Alexander & Baldwin, Inc., to be held at A&B headquarters, 822 Bishop Street, Honolulu, Hawaii, on Tuesday, April 29, 2014 at 8:30 a.m. We look forward to the opportunity to meet with you and discuss the Company's performance during 2013, and our future plans and expectations.

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 14, 2014.

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

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 29, 2014, at 8:30 a.m., Honolulu time, to:

1. Elect three Class II directors for a three-year term expiring at the 2017 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 20, 2014 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,

/s/ Alyson J. Nakamura

ALYSON J. NAKAMURA  
Corporate Secretary  
March 14, 2014

## SUMMARY INFORMATION

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 29, 2014, 8:30 a.m.

Place: A&B Headquarters

822 Bishop Street

Honolulu, Hawaii 96813

Record Date: February 20, 2014

Voting: Shareholders as of the record date are entitled to vote.

Admission: Shareholders will be asked 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.

### MEETING AGENDA

Agenda Item	Board Recommendation	Page Reference
Election of 3 Class II directors	FOR each director nominee	2
Advisory vote on executive compensation	FOR	42
Ratify appointment of Deloitte & Touche LLP as our independent registered public accounting firm	FOR	44

### 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	Experience/ Qualification
W. Allen Doane	2012	Retired Chairman and CEO of A&B Predecessor	<ul style="list-style-type: none"> <li>• Leadership</li> <li>• Real Estate</li> <li>• Finance</li> </ul>
David C. Hulihee	2013	CEO of Grace Pacific LLC, a wholly-owned subsidiary of A&B	<ul style="list-style-type: none"> <li>• Leadership</li> <li>• Construction</li> <li>• Finance</li> </ul>
Stanley M. Kuriyama	2012	Chairman and CEO of A&B	<ul style="list-style-type: none"> <li>• Leadership</li> <li>• Real Estate</li> <li>• Finance</li> </ul>

## FINANCIAL HIGHLIGHTS

In 2013, the Company achieved adjusted net income of \$39.8 million<sup>1</sup> (\$36.9 million on a GAAP basis, which includes expenses associated with the acquisition of Grace Pacific Corporation). The adjusted net income represents a 23 percent year-over-year increase from \$32.3 million of adjusted net income in 2012. Revenues in 2013 also were up – \$365.2 million compared to 2012 revenues of \$261.5 million.

During 2013, A&B invested over one billion dollars in Hawaii. More than half of this amount was invested in Hawaii income-producing properties, as we implemented our strategy of migrating our commercial property portfolio to Hawaii. Value creating transactions included the acquisitions of Grace Pacific Corporation, the Kaneohe Ranch portfolio (one of the finest commercial portfolios in Hawaii), and a portfolio of upscale residential lots in Kahala (the most exclusive residential neighborhood in the state), all of which further positioned A&B for future success as the Hawaii economy and real estate markets improve.

\* A&B separated from Matson, Inc. ("Matson") in June 2012; 2012 figures exclude results from Matson's operations.

A&B continues to perform well following its successful separation from Matson on June 29, 2012, forming a new publicly-traded company focused primarily on growing its presence in Hawaii, where it can best leverage its local knowledge, capabilities and relationships (the "Separation"). In 2013, A&B's share price appreciated 42%, surpassing the S&P Mid Cap 400 Index (up 33%) and the Russell 2000 (up 39%). In addition, A&B initiated a modest quarterly dividend.

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<sup>1</sup> Refer to page 42 for a reconciliation of adjusted net income.

## EXECUTIVE COMPENSATION

All elements of executive compensation are generally targeted at the 50<sup>th</sup> 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.

In 2013, the Company's CEO received 30 percent of his target compensation as salary. The remaining 70 percent was performance-based and at risk. For our other named executive officers, 58 percent of their target compensation was performance-based and at risk. Post-Separation, the Company has further adjusted its compensation programs to focus on pay for performance.

We encourage you to read our Compensation Discussion and Analysis (CD&A), which begins on page 17 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 42.

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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 29, 2014 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 14, 2014, 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 2013 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 20, 2014 are entitled to notice of and to vote at the Annual Meeting. On that date, there were 48,672,972 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 approval, on an advisory basis, of our executive compensation and the ratification of the appointment of the independent registered public accounting firm. 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. 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 proxy bearing a later date; or
- ✶ Voting in person at the Annual Meeting.

This Proxy Statement and the enclosed proxy are being mailed to shareholders, and are being made available on the Internet at [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com), on or about March 14, 2014. 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 II DIRECTORS

Three Class II 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 II nominees of the Board of Directors are the three persons named below, all of whom currently are 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 is an incumbent director who was unanimously nominated by the Board at the recommendation of the Nominating and Corporate Governance Committee.

Under A&B’s retirement policy for directors, Walter A. Dods, Jr., who has served as a director of A&B or A&B Predecessor since 1989, is retiring from the Board at the Annual Meeting. In addition to his service as a director, Mr. Dods served as the Chairman of the Board of A&B Predecessor from January 2010 through June 2012, has served on the Nominating and Corporate Governance Committee since 2003 and as its Chair since 2006, and served on the Audit Committee since 1989. The Board and management thank Mr. Dods for his years of service and valued advice.

The following table provides the name, age (as of March 31, 2014), 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.

W. Allen Doane

Age: 66

Director Since: 2012 (Director of A&B Predecessor since 1998)

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

Director of BancWest Corporation (“BancWest”) from April 2004 through July 2006 and since July 2012

Director of First Hawaiian Bank (“FHB”), banking subsidiary of BancWest since August 1999

#### 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 the board of FHB, Hawaii's largest financial institution, 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: 60

Director Since: 2012 (Director of A&B Predecessor since 2010)

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

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

David C. Hulihee

Age: 65

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 of FHB since April 1997

#### 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 the board of FHB, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

## CONTINUING DIRECTORS

### Continuing Class III Directors Whose Terms Expire at the 2015 Annual Meeting

Charles G. King

Age: 68

Director Since: 2012 (Director of A&B Predecessor since 1989)

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

#### 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: 59

Director Since: 2012 (Director of A&B Predecessor since 2005)

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 since November 2003

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 in his former role as 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 several other publicly traded companies.

Jeffrey N. Watanabe

Age: 71

Lead Independent Director Since: 2012 (Director of A&B Predecessor since 2003)

Non-Executive Chairman of the Board of Hawaiian Electric Industries, Inc. (NYSE:HE) ("HEI") (electric utility/banking) since May 2006

Director of HEI since April 1987

Director of HECO from February 1999 to July 2006 and from February 2008 to May 2011, and American Savings Bank, F.S.B. since May 1988, each a subsidiary of HEI

Retired Founder, Watanabe Ing LLP ("WI"), Honolulu, Hawaii (attorneys at law) since July 2007; Partner, WI, from 1971 to June 2007

Director of Matson (NYSE:MATX) since June 2012

Director of A&B Predecessor from April 2003 through June 2012

#### Director Qualifications

As Chairman of the Board of HEI and former managing partner of a major Honolulu law firm, of which he is a retired co-founder, Mr. Watanabe brings to the Board insights into corporate governance matters and leadership and legal skills. In addition, he has both public and private company board experience and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.

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

Robert S. Harrison

Age: 53

Director Since: 2012

Chief Executive Officer and Director of First Hawaiian Bank ("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 President and Chief Executive Officer of FHB, Hawaii's largest financial institution, Mr. Harrison brings to the Board experience in managing complex business organizations, and banking and financial expertise. Mr. Harrison has board experience, including his service on the board of FHB, and is knowledgeable about Hawaii and A&B's operating markets through his involvement in the Hawaii business community and local community organizations.