
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 25, 2020 (June 22, 2020)**

MATSON, INC.

(Exact Name of Registrant as Specified in its Charter)

Hawaii
(State or Other Jurisdiction of
Incorporation)

001-34187
(Commission File Number)

99-0032630
(I.R.S. Employer Identification
No.)

1411 Sand Island Parkway
Honolulu, Hawaii
(Address of principal executive offices)

96819
(zip code)

Registrant's telephone number, including area code: **(808) 848-1211**
(Former Name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, without par value	MATX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry Into a Material Definitive Agreement.

On June 22, 2020, Matson Navigation Company, Inc. (“MatNav”), a subsidiary of Matson, Inc. (“Matson” or the “Company”) entered into (i) an Amendment No. 1 to the Consolidated Agreement (as so amended, the “Consolidated Agreement”) among MatNav, the United States of America, represented by the Maritime Administrator of the Maritime Administration (“MARAD”) and, with respect to certain provisions, the Company and (ii) a Note Purchase Agreement (the “Note Purchase Agreement”) among MatNav, MARAD, and the Federal Financing Bank (the “FFB”). Pursuant to the Consolidated Agreement, the Note Purchase Agreement and certain related agreements (collectively, the “Title XI Debt Agreements”), MatNav obtained on June 25, 2020, Title XI financing in the amount of approximately \$140 million (the “Title XI Debt”). The proceeds of the Title XI Debt were funded in a single advance to MatNav on June 25, 2020.

A fee of approximately \$6.7 million was paid to MARAD out of the proceeds at closing. The net proceeds will be used to repay a portion of the outstanding balance of Matson’s revolving credit facility, which was drawn in order to finance a portion of the construction costs of *Kaimana Hila* (the “Vessel”).

The Title XI Debt bears cash interest at a rate of 1.35%, payable semi-annually in arrears on March 15 and September 15 of each year commencing on September 15, 2020 (each such date, a “Payment Date”). The effective interest rate on the Title XI Debt for accounting purposes is approximately 1.73%. On each Payment Date, MatNav will also be required to pay principal equal to approximately \$3 million. The Title XI Debt will mature on March 15, 2044. MatNav may prepay any amounts outstanding under the Consolidated Agreement subject to a potential prepayment premium or other adjustment, in accordance with the Title XI Debt Agreements. Once amounts under the Title XI Debt are repaid, they may not be reborrowed. Mandatory prepayments are required under certain limited circumstances, including specified casualty events with respect to the Vessel.

Under the Title XI Debt Agreements, MARAD has guaranteed the obligations of MatNav to the FFB. MatNav has agreed to reimburse MARAD for any payments it makes under the MARAD guaranty, and MatNav’s obligations to MARAD with respect to the Title XI Debt are secured by a mortgage on the Vessel and certain related assets, as well as the Existing Vessels (as defined below). In addition, MatNav’s obligations to MARAD with respect to the Title XI Debt are guaranteed by the Company under an Amendment to the existing Affiliate Guaranty (the “Amendment to the Guaranty”).

The Title XI Debt Agreements contain customary representations and warranties as well as affirmative and negative covenants, defaults and other provisions typical for MARAD-guaranteed financings of this type, with definitions, limitations and financial tests all as negotiated between MatNav and MARAD.

The Title XI Debt Agreements also provide that three vessels securing MatNav’s existing MARAD ship financing (the “Existing MARAD Financing”) – *Manukai*, *Maunawili* and *Daniel K. Inouye* (the “Existing Vessels”) – also secure the new Title XI Debt until the Title XI Debt on the Existing Vessels is retired in 2028, 2029 and 2043, respectively. The balance of the Existing MARAD Financing is \$225.5 million as of the date hereof.

The foregoing description is qualified in its entirety by the terms and conditions set forth in the Amendment No. 1 to the Consolidated Agreement, the Note Purchase Agreement and the Amendment to the Guaranty, copies of which are filed as Exhibits 10.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 herein is hereby incorporated in its entirety into Item 2.03 by reference.

Item 9.01. Financial Statements And Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit</u>
10.1	<u>Amendment No. 1 dated June 22, 2020, to Consolidated Agreement, Contract No. MA-14454 dated as of April 27, 2020 among Matson Navigation Company, Inc., the United States of America, represented by the Maritime Administrator of the Maritime Administration and, with respect to certain provisions, Matson, Inc.</u>
10.2	<u>Note Purchase Agreement dated as of June 22, 2020 among Matson Navigation Company, Inc., the United States of America, represented by the Maritime Administrator of the Maritime Administration and the Federal Financing Bank.</u>
10.3	<u>Amendment dated June 22, 2020 to Affiliate Guaranty dated as of April 27, 2020 executed by Matson, Inc. and consented to by MARAD.</u>
104	Cover Page Interactive Data File (formatted in Inline XBRL and included as Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MATSON, INC.

/s/ Joel M. Wine

Joel M. Wine

Senior Vice President and Chief Financial Officer

Dated: June 25, 2020

KAIMANA HILA, Official Number: 1274135
AMENDMENT No. 1 to CONSOLIDATED AGREEMENT

Matson Navigation Company, Inc.

			<i>Name of Shipowner</i>		
555 12th Street			MA -14454	[MATNAV 0002]	
<i>Street Address for Notices</i>			<i>Contract No.</i>	<i>FFB Note Identifier No.</i>	
Oakland	California	94607	Corporation		
<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Organizational Form (e.g., corporation, limited liability company, partnership)</i>		
Treasurer			Hawaii		
<i>Name of Contact Person to Receive Notices</i>			<i>Jurisdiction of Organization</i>		
<i>Email Address: bbowler@matson.com</i>			June 22, 2020	\$139,584,000	
General Counsel			<i>Second Closing Date</i>	<i>Maximum Principal Amount of Guarantee</i>	
<i>Send Copies of Notices to</i>					
<i>Email Address: none</i>					

THIS AMENDMENT No. 1 to CONSOLIDATED AGREEMENT (this "**Amendment**") is made as of the Closing Date set forth above (such Closing Date is the Second Closing Date, as defined in the Agreement hereinafter referred to) between THE UNITED STATES OF AMERICA (the "**United States**"), represented by the Maritime Administrator (the "**Administrator**") of the Maritime Administration ("**MARAD**"), pursuant to Chapter 537 of Title 46 of the United States Code ("**Chapter 537**"), and the Shipowner named above (the "**Shipowner**"), an entity existing under the laws of the Jurisdiction of Organization in the Organizational Form both as stated above. Capitalized terms used herein, unless otherwise noted, have the respective meanings set forth in Annex B.

RECITALS:

- A. On April 27, 2020, the Administrator, the Shipowner, and the Affiliate Guarantor entered into the Consolidated Agreement, Contract No. MA-14454 (the "**Agreement**");
- B. As set forth in the Recitals to the Agreement, the Shipowner submitted an application to the Administrator for the Guarantee of obligations pursuant to Chapter 537 to finance a portion of the cost of constructing, reconstructing or reconditioning the Vessel and the Second Vessel;
- C. After review of such application, the Administrator made certain determinations and issued the Letter Commitment on the Letter Commitment Date;
- D. The Shipowner is the sole owner of the Second Vessel constructed pursuant to the Construction Contract with the Shipyard;

E. To aid in the Financing of the Second Vessel, FFB, the Shipowner and the Administrator have executed and delivered the Second Vessel Note Purchase Agreement providing for the sale and delivery of the Second Vessel Note having the Stated Maturity Date and Approved Interest Rate to be determined with respect to each Advance as set forth on Annex A of this Amendment;

F. As provided in the Agreement, pursuant to this Amendment, the Administrator is executing, and the Shipowner is accepting, the Commitment to Guarantee with respect to the Second Vessel Note in the maximum principal amount equal to the Applicable Guarantee Percentage of the Depreciated Actual Cost or the Actual Cost of the Second Vessel, as the case may be, on the Second Closing Date, set forth in Table A of Annex A to this Amendment;

G. Pursuant to this Amendment, the Shipowner is issuing and delivering the Second Administrator's Note to the Administrator on the date hereof;

H. Pursuant to this Amendment, as security for the due and timely payment of the Second Administrator's Note and for the issuance of the Guarantee, the Shipowner and the Administrator are executing and delivering an amendment to the first preferred fleet mortgage on the Vessel in the form of Annex F hereto to add the Second Vessel thereto, and amendments to the first preferred mortgages on the Existing Vessels (the "Amendments No. 1 to the Mortgages"), and granting a security interest to the Administrator in the Second Vessel Collateral, including without limitation the Chapter 537 Reserve Fund, the Late Charges Reserve Subfund, the No-Call Prepayment Fund and the Interest Escrow Fund;

I. As further security for the due and timely payment of the Administrator's Note and for the issuance of the Guarantee, (1) the Shipyard has executed and delivered the Consent of Shipyard to the assignment of the Construction Contract to the Administrator with respect to the Second Vessel; (2) the Affiliate Guarantor has executed and delivered this Amendment and Amendment No. 1 to the Affiliate Guaranty to the Administrator; and (3) the Shipowner has executed and delivered the Assignment of Construction Contract, the Assignment of Earnings and the Assignment of Insurances to the Administrator, all with respect to the Second Vessel;

J. It is the intention of the parties that the security interests of the Administrator in the Second Vessel Collateral be perfected by: (1) the execution and delivery of this Amendment and Amendment No. 1 to the Mortgage; (2) the Administrator's possession of the Chapter 537 Reserve Fund, the Late Charges Reserve Subfund, the No-Call Prepayment Fund and the Interest Escrow Fund in accounts at Treasury, and all other sums, moneys, securities and proceeds thereof; and (3) the filing of appropriate financing statements to record the Administrator's security interests in the Second Vessel Collateral;

K. Capitalized terms used herein have the meanings given to them in Annex B to the Agreement, as amended by Annex X to the Agreement, unless otherwise defined herein.

NOW, THEREFORE, under the provisions of Chapter 537, and in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereby agree that this Amendment consists of this introduction, the provisions below, and signature page and the following attached parts, all of which together with the Agreement constitute the entire agreement of the Administrator and the Shipowner with respect to the subject matter hereof,

superseding all prior written and oral agreements and understandings between the parties with respect to such subject matter:

- | | |
|--|---|
| <i>Annex A:</i> Information Specific to the Shipowner, the Affiliate Guarantor and the Second Vessel Guarantee Transaction | <i>Annex I:</i> Form of Assignment of Earnings |
| <i>Annex B:</i> [See Agreement] | <i>Annex J:</i> Form of Assignment of Insurances |
| <i>Annex C:</i> [See Agreement] | <i>Annex K:</i> Form of Amendment No. 1 to Affiliate Guaranty |
| <i>Annex D:</i> Disclosure Schedule | <i>Annex L:</i> [See Agreement] |
| <i>Annex E:</i> Form of Second Administrator's Note | <i>Annex M-1:</i> [See Agreement] |
| <i>Annex F:</i> Form of Amendment No. 1 to First Preferred Fleet Mortgage | <i>Annex M-2:</i> [See Agreement] |
| <i>Annex G:</i> Form Assignment of Construction Contract | <i>Annex N:</i> [See Agreement] |
| <i>Annex H-1:</i> Form of Consent of Shipyard | <i>Annex O:</i> [See Agreement] |
| <i>Annex H-2:</i> [See Agreement] | <i>Annex P:</i> [See Agreement] |
| | <i>Annex X:</i> [See Agreement] |

In the event of any conflict or inconsistency between the provisions of this Amendment or Annex A of this Amendment (Information Specific to the Shipowner, the Affiliate Guarantor and the Second Vessel Guarantee Transaction) and the Agreement or Annex C (General Terms and Conditions), the provisions of the Agreement and of Annex A of this Amendment shall control.

ARTICLE I
Definitions

Section 1.01. Definitions. (a) Except as otherwise specified herein or as the context may otherwise require, from and after the Second Closing Date, the following terms have the respective meanings set forth below for all purposes of the Agreement:

“*Administrator’s Note*” means the Administrator’s Note as defined in the Agreement and includes the Second Administrator’s Note.

“*Affiliate Guaranty Amendment*” means Amendment No. 1, dated the date hereof, to the Affiliate Guaranty to the Administrator dated April 27, 2020.

“*Amendment No. 1 to the Mortgage*” means the Amendment and Supplement No. 1 to the First Preferred Fleet Mortgage dated April 16, 2020, which First Preferred Fleet Mortgage was recorded at Batch # 74980700, Doc. # 6.

“*Collateral*” includes the Collateral as defined in the Agreement and the Second Vessel Collateral, except that as used in Section 4.01 of the Agreement, the term Collateral does not include the Second Vessel Collateral.

“*First Vessel*” means the DANIEL K. INOUE, Official Number 1274136.

“*Second Administrator’s Note*” means the promissory note issued and delivered by the Shipowner to the Administrator, as originally executed, substantially in the form attached to this Amendment as Annex E, and as the same may be amended, modified, supplemented or endorsed, including any promissory note issued in substitution thereof.

“*Second Vessel Collateral*” has the meaning set forth in Section 5.01 (a) below.

“*Second Vessel Note*” means the Note issued by the Shipowner to FFB pursuant to the Second Vessel Note Purchase Agreement dated as of the date set forth in Annex A of this Amendment opposite such term.

“*Second Vessel Note Purchase Agreement*” means the Note Purchase Agreement among FFB, the Shipowner and the Administrator dated as of the date set forth in Annex A of this Amendment opposite such term.

“*Second Vessel Note Purchase Document*” means the Second Vessel Note, the Second Vessel Note Purchase Agreement and any other document executed in connection therewith, and “*Second Vessel Note Purchase Documents*” means all of such documents.

(b) As provided in the Agreement, the term “*Vessel*” or “*Vessels*” as used in the Agreement includes the Second Vessel.

(c) From and after the Second Closing Date, the terms “*Note*”, “*Note Purchase Agreement*” and “*Note Purchase Documents*” include, respectively, the “*Second Vessel Note*”, the “*Second Vessel Note Purchase Agreement*” and the “*Second Vessel Note Purchase Documents*.”

ARTICLE II

The Second Vessel Note

The Second Vessel Note shall be as provided in the Second Vessel Note Purchase Agreement and in the form of the Second Vessel Note annexed as Exhibit C to the Second Vessel Note Purchase Agreement, the proceeds of which shall be used for the Financing as set forth on Annex A of this Amendment. The Second Vessel Note shall be subject to all of the terms and conditions set forth in the Second Vessel Note Purchase Agreement.

ARTICLE III

Commitment to Guarantee

SECTION 3.01. Commitment to Guarantee. The United States, represented by the Administrator, HEREBY COMMITS ITSELF TO GUARANTEE the payment of the unpaid interest on, and the unpaid balance of the principal of, the Second Vessel Note, including interest accruing between the date of default under the Second Vessel Note and the payment in full of the Guarantee, and, to effect this Commitment to Guarantee, hereby, subject to the terms and conditions hereof, commits itself to execute and deliver the Administrator’s Guarantee on the Second Closing Date. The Shipowner hereby accepts this Commitment to Guarantee subject to the terms and conditions hereof.

SECTION 3.02. Form of Guarantee. The form of the Guarantee to be attached to the Second Vessel Note is as follows:

“The United States of America, acting through the Maritime Administrator, Maritime Administration, U.S. Department of Transportation (the “**Administrator**”), hereby guarantees to the Federal Financing Bank, its successors and assigns (“**FFB**”), all payments of principal and interest, when and as due in accordance with the terms of the note dated on or about June 22, 2020, issued by Matson Navigation Company, Inc., (the “**Borrower**”) payable to FFB in the maximum principal amount of \$139,584,000 to which this Administrator’s Guarantee is attached (such note being the “**Note**”), with interest on the principal until paid, irrespective of (i) acceleration of such payments under the terms of the Note, or (ii) receipt by the Administrator of any sums or property from its enforcement of its remedies for the Borrower’s default.

“This Administrator’s Guarantee is issued pursuant to Chapter 537 of Title 46 of the United States Code, Section 6 of the Federal Financing Bank Act of 1973 (12 U.S.C. § 2285), and the Note Purchase Agreement dated as of June 22, 2020, among FFB, the Borrower, and the Administrator.

UNITED STATES OF AMERICA

By: _____

Name: _____

Title: _____

Date: _____”

Section 3.03. Conditions to Guarantee the Second Vessel Note and Execution and Delivery of the Guarantee on the Second Vessel Note. The obligation of the Administrator to execute and deliver the Guarantee on the Second Closing Date shall be subject to receipt by the Administrator of the following items on the Second Closing Date, or such other date specified herein, unless waived by the Administrator:

Transaction Documents

(a) the Shipowner shall have executed and delivered to the Administrator this Amendment, the Second Administrator’s Note, Amendment No. 1 to the Mortgage, the Assignment of Construction Contract in the form of Annex G to this Amendment, the Assignment of Earnings in the form of Annex I to this Amendment, the Assignment of Insurance in the form of Annex J to this Amendment, an amendment to the First Preferred Ship Mortgage on each of the Existing Vessels, the Second Vessel Note, and the Second Vessel Note Purchase Agreement;

(b) the Affiliate Guarantor shall have executed and delivered to the Administrator (1) this Amendment and (2) the Amendment No. 1 to the Affiliate Guaranty, and the Affiliate Guaranty as so amended shall be in full force and effect;

(c) the Shipowner and the Affiliate Guarantor shall have executed and delivered to the Administrator the declaration required by Section 1352 of Title 31 of the United States Code, as amended, and the Lobbying Disclosure Act of 1995, classified at 2 U.S.C. § 1601;

(d) (1) the Shipowner and the Shipyard shall have executed and delivered to the Administrator the certificate described in Section 13.03(e) of the Agreement; and (2) the Shipyard shall have executed and delivered to the Administrator the Consent of Shipyard in the form of Annex H-1 hereto;

(e) If the Administrator so requests, the Administrator shall have received a subordination in form and substance satisfactory to the Administrator with respect to all non-Chapter 537 debt of the Shipowner relating to the Vessels, if any, that has not been discharged, provided, however, it is agreed that any debt under the Existing Credit Agreement or under existing unsecured long term notes issued by the Affiliate Guarantor (in each case, including any guarantees thereof by Shipowner) does not constitute "debt of the Shipowner relating to the Vessels" for purposes hereof;

(f) FFB shall have executed and delivered the Second Vessel Note Purchase Agreement in form and substance acceptable to the Administrator;

(g) the Shipowner and Affiliate Guarantor each shall have delivered to the Administrator one or more Opinions of Counsel, which shall include, among other things, an opinion to the effect that: (1) by the terms of this Amendment, the Shipowner has granted to the Administrator a fully perfected, first priority security interest in each of the assets which constitutes the Second Vessel Collateral; and (2) all filings, recordings, notices and other actions required to perfect the Administrator's interests in the Second Vessel Collateral and to render such security interests valid and enforceable under applicable law have been duly effected, together with copies of such filings, such opinion to be substantially in the form of the opinions delivered on the Closing Date of the First Vessel;

(h) the Administrator shall have received from the Shipowner: (i) two executed original counterparts of the Second Vessel Note Purchase Agreement; (ii) two copies of the Second Vessel Note; (iii) two executed originals of the legal opinions issued under Subsection (g) of this Section; (iv) two executed originals of the legal opinion delivered to FFB pursuant to the Second Vessel Note Purchase Agreement; and (v) two executed original counterparts of this Amendment, each of the Annexes hereto and all other documents executed and delivered by the Shipowner, the Affiliate Guarantor or FFB in connection with the Second Closing Date.

Vessel Documents

(i) at least ten (10) days prior to the Second Closing Date, the Shipowner shall have provided the Administrator with satisfactory evidence of marine insurance as required by Section 11.10 of the Agreement, naming the Administrator as lender loss payee for Second Vessel's hull & machinery coverage and as a co-assured to all liability coverage;

(j) the Shipowner and any bareboat charterers of the Second Vessel shall have furnished to the Administrator an affidavit complying with the requirements of 46 CFR Part 355, demonstrating U.S. citizenship;

(k) at least ten (10) days prior to the Second Closing Date, the Shipowner shall have delivered to the Administrator (1) evidence that the Second Vessel is documented by the United States Coast Guard with a coastwise endorsement and (2) the United States Coast Guard certificates and evidence from the Classification Society that the Second Vessel is in class;

Financial Conditions

(l) the Administrator shall have received at least ten (10) Business Days prior to the Second Closing Date (1) a detailed consolidated pro forma balance sheet for the Shipowner and its subsidiaries, certified by a Responsible Officer, including adequate disclosures in accordance with GAAP and showing, among other things, all non-Chapter 537 debt of Shipowner to the extent required to be disclosed in accordance with GAAP; and (2) a detailed consolidated pro forma balance sheet for the Affiliate Guarantor and its subsidiaries, certified by a Responsible Officer of the Affiliate Guarantor. Each balance sheet described in this Subsection (l) shall be dated as of the Second Closing Date, reflect the completion of the Financing under Chapter 537, and demonstrate compliance with the Qualifying Financial Tests of Shipowner and the Qualifying Financial Tests of Affiliate Guarantor;

(m) the Administrator shall have received the most recent annual Audited Financial Statements or quarterly Unaudited Financial Statements of Shipowner and the Affiliate Guarantor prepared in accordance with GAAP, each certified by a Responsible Officer of the Shipowner and the Affiliate Guarantor and showing, among other things, all non-Chapter 537 debt of the Shipowner and of the Affiliate Guarantor;

Second Closing Date Certifications

(n) the Shipowner and Affiliate Guarantor, to the extent applicable, shall have executed and delivered to the Administrator an Officer's Certificate representing and warranting that the following statements are true and correct in all material respects as of the Second Closing Date:

(1) each of the representations and warranties set forth at Article X of the Agreement;

(2) to such officer's knowledge the Shipowner is not in violation of any Federal laws having a substantial adverse effect on the interests of the United States;

(3) there have been no occurrences that would adversely and materially affect the condition of the Second Vessel, its hull or any of its component parts, or, in the event such occurrences exist, a detailed description of such occurrence, in which event the Administrator may take such action as it deems appropriate, including not issuing the Guarantee;

(4) since the Closing Date, there have not been any materially adverse changes in the financial or legal condition of the Shipowner or the Affiliate Guarantor or in the economic conditions in the intended trade for the Second Vessel;

(5) there are no Liens on the Second Vessel or its component parts, except Permitted Liens;

(6) no Default or event after any period of time or any notice, or both, would constitute, a Default has occurred;

(7) the amount of Actual Cost Paid with respect to the Second Vessel is true and correct;

(8) each item in the amount of Actual Cost Paid is properly included in the Actual Cost of the Second Vessel;

(9) each of the Shipowner and the Affiliate Guarantor is in compliance with the Qualifying Financial Tests of Shipowner and the Qualifying Financial Tests of Affiliate Guarantor, respectively, in accordance with GAAP, as adjusted by 46 CFR § 298.13(d), and detailing such compliance; and

(10) all non-Chapter 537 debt of the Shipowner relating to the Vessels has been discharged or subordinated in a manner satisfactory to the Administrator, provided, however, it is agreed that any debt under the Existing Credit Agreement or under existing unsecured long term notes issued by the Affiliate Guarantor (in each case, including any guarantees thereof by Shipowner) does not constitute "debt of the Shipowner relating to the Vessels" for purposes of the Agreement;

(o) at least ten (10) days prior to the Closing Date, or such shorter period as the Administrator may agree, the Shipowner's Accountant shall have provided a certification or other evidence satisfactory to the Administrator as to the amounts paid by the Shipowner with respect to Section 2.03(n) (7) and (8) of the Agreement with respect to the Second Vessel;

Fees and Deposits

(p) the Administrator shall have received the Guarantee Fee payable under 46 U.S.C. §53714(b) and the Investigation Fee due under 46 U.S.C. §53713(a), either (i) by wire transfer or (ii) by a check of the Shipowner payable to the Administrator, such Guarantee Fee to be held by the Administrator in escrow until such time as the FFB makes the Initial Advance on the Second Vessel Note, whereupon it shall be released to the Administrator for deposit, provided that if the Initial Advance has not been made by the date that is 10 Business Days after the Second Closing Date, the Guarantee Fee previously received by the Administrator referenced in clause (i) above or the check referenced in clause (ii) above shall be promptly returned to the Shipowner;

(q) the Shipowner shall have made (1) the Interest Escrow Fund Deposit, unless waived by the Administrator as indicated in Annex A of this Amendment, and (2) the Late Charges Reserve Subfund Deposit in the amount set forth in Annex A hereto;

Other Conditions

(r) the Shipowner shall have complied in all material respects with its agreements under the Agreement and all other requirements of Chapter 537 and the applicable regulations, as determined in the sole judgment of the Administrator;

(s) there have not been any occurrences which have or would adversely and materially affect the condition of the Second Vessel, its hull or any of its component parts, as determined in the sole judgment of the Administrator;

(t) there shall not have occurred a Default or event after any period of time or any notice, or both, which would constitute a Default;

(u) all documentation and legal opinions relating to the transactions contemplated by this Amendment and the Second Vessel Note Purchase Agreement shall be in form and substance satisfactory to the Administrator and all security interests in the Second Vessel Collateral shall be fully perfected and of first priority as of the Second Closing Date;

(v) since the Closing Date, there have not been any materially adverse changes in the financial or legal condition of the Shipowner or the Affiliate Guarantor or in the economic conditions in the intended trade for the Second Vessel, each as determined in the sole judgment of the Administrator;

(w) the Second Closing Date shall have occurred by June 28, 2020;

(x) A copy certified by the Shipowner of resolutions adopted by the Shipowner authorizing the execution, delivery, and performance of the transactions contemplated by this Amendment;

(y) The Shipowner shall have complied with the requirements of Section 13.03 of the Agreement with respect to the Second Vessel.

ARTICLE IV
The Second Administrator's Note

SECTION 4.01. Second Administrator's Note. On the Second Closing Date, the Shipowner has duly executed and delivered, and the Administrator has accepted, the Second Administrator's Note in an amount equal to the Maximum Principal Amount of the Second Vessel Note. The Second Administrator's Note, and any endorsement thereof executed and delivered to the Administrator in accordance with Section 12.01(h) or otherwise shall be secured by the Agreement, the Mortgage as amended by Amendment No. 1 to the Mortgage, and the other Transaction Documents.

ARTICLE V
Security Agreement

SECTION 5.01. Granting Clause. (a) In order to secure the payment and performance of the obligations of the Shipowner under the Agreement and the other Transaction Documents to which it is a party, the Shipowner does hereby grant, sell, convey, assign, transfer, mortgage, pledge, set over and confirm unto the Administrator a first priority continuing security interest in, Lien on and right of setoff against, all of the right, title and interest of the Shipowner in and to all of the following, whether now owned or existing or hereafter arising or acquired:

(1) the Construction Contract and the Rights Under the Construction Contract and Related Contracts with respect to the Second Vessel;

(2) Moneys Due to Shipowner with Respect to the Construction of the Second Vessel;

(3) the Second Vessel and each Existing Vessel and all Goods, including, without limitation, Accessions, fuel, Equipment, and Inventory, and all Accounts, including, without limitation, any bareboat charters, time charters, charter hire, voyage or other charters except slot charters, earnings, affreightments, and all Commercial Tort Claims described on the Disclosure Schedule or notified to the Administrator pursuant to Section 11.04 (all terms are defined as set forth in Annex B of the Agreement or in the UCC as applicable) in each case only to the extent the same appertain or relate solely to the Second Vessel or Existing Vessels or their operation, whether or not on board or ashore and not covered by the Mortgage, and further provided that shipping containers and Goods that are not specifically identified exclusively for use on one of the Second Vessel or Existing Vessels are not included in this grant;

(4) the Late Charges Reserve Subfund and all sums, moneys, securities and proceeds of the Late Charges Reserve Subfund currently on deposit or hereafter deposited in said account, including, without limitation, Financial Assets;

(5) the Chapter 537 Reserve Fund and all sums, moneys, securities and proceeds of the Chapter 537 Reserve Fund currently on deposit or hereafter deposited in said account, including, without limitation, Financial Assets;

(6) the Interest Escrow Fund and all sums, moneys, securities and proceeds of the Interest Escrow Fund currently on deposit or hereafter deposited in said account, including, without limitation, Financial Assets;

(7) the No-Call Prepayment Fund and all sums, moneys, securities and proceeds of the No-Call Prepayment Fund hereafter deposited in said fund, including, without limitation, the No-Call Prepayment Collateral;

(8) all policies and contracts of insurance solely to the extent the same relate to the Second Vessel, including, without limitation, the Shipowner's rights under all entries in any protection and indemnity or war risks associations or clubs, which are from time to time taken out by or for the Shipowner in respect of the Second Vessel, their hull, machinery, freights, disbursements, profits or otherwise, and all the benefits thereof and all other rights of the Shipowner in respect thereof, including, without limitation, all claims of whatsoever nature including without limitation any general average claims or loss of hire claims, as well as return premium; and

(9) all cash and non-cash Products and Proceeds of the collateral described in Clauses (1) through (8) of this Section 5.01 (a).

The Administrator shall have, upon execution and delivery of Amendment No. 1 to the Mortgage, as further security, certain right, title and interest in and to the Mortgage, to be executed and delivered by the Shipowner to the Administrator, as mortgagee, on the date hereof, covering the Second Vessel.

(b) The Shipowner's right, title and interest in each of the assets and property described in Section 5.01 (a) of this Amendment are herein, collectively, called the "***Second Vessel Collateral***." The Administrator shall hold the Second Vessel Collateral as collateral security for all of the obligations and liabilities of the Shipowner under the Agreement, the Administrator's

Notes, the Mortgage and the other Transaction Documents and as collateral security, whether now made or hereafter entered into, for and with respect to the Guarantees.

ARTICLE VI
Insurance

SECTION 6.01. Insurance. From and after the Second Closing Date and at all times thereafter, the Shipowner shall, without cost to the Administrator, keep the Second Vessel insured in accordance with Section 11.10 (b) of the Agreement.

ARTICLE VII
Discharge of Agreement

SECTION 7.01. Discharge of Agreement; Partial Discharge. Section 16.01 of the Agreement is hereby amended to read in its entirety as follows:

“Except as set forth in Section 5.03 of the Agreement with respect to a release of Lien on the Interest Escrow Fund, if either the Note or the Second Vessel Note and the related Administrator's Note shall have been satisfied and discharged, and if the Shipowner shall pay or cause to be paid all other sums that may have become secured under this Agreement and the other Transaction Documents with respect thereto, then with respect to such Note and the related Administrator’s Note this Agreement and the Liens, estate and rights and interests hereby and thereby granted, shall cease, terminate, and become null and void, and the Administrator, on the Shipowner’s Request and at the Shipowner's cost and expense, shall forthwith cause satisfaction and discharge and duly acknowledge such satisfaction and discharge of this Agreement to be entered upon its and other appropriate records, and shall execute and deliver to the Shipowner such instruments as may be necessary, and forthwith the estate, right, title and interest of the Administrator in and to the Collateral related to such Note and the related Administrator’s Note, and any other securities, cash, and any other property held by it under this Agreement, shall thereupon cease, determine and become null and void, and the Administrator shall transfer, deliver and pay the same to the Shipowner.”

ARTICLE VIII
Miscellaneous

SECTION 8.01. Interpretation; Execution in Counterparts; Effectiveness. This Amendment is executed as and shall constitute and be construed with and as part of the Agreement and may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment shall become effective when it shall have been executed by the Administrator and when the Administrator shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

(SIGNATURE PAGE ON FOLLOWING PAGE)

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by the duly authorized representatives of the parties hereto as of the Second Closing Date.

(SEAL)
Attest:

SHIPOWNER

By: /s/ Rachel C. Lee
Name: Rachel C. Lee
Title: Assistant Secretary

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer

(SEAL)
Attest:

UNITED STATES OF AMERICA,
MARITIME ADMINISTRATOR

By: /s/ Michael C. Pucci
Name: Michael C. Pucci
Title: Assistant Secretary, Maritime Administration

By: /s/ T. Mitchell Hudson, Jr.
Name: T. Mitchell Hudson, Jr.
Title: Secretary, Maritime Administration

This Amendment has been duly executed and delivered by the duly authorized representatives of the Affiliate Guarantor as of the Second Closing Date solely to indicate the Affiliate Guarantor's agreement to be bound by the provisions of this Amendment to the extent applicable to the Affiliate Guarantor as provided in the Agreement.

(SEAL)
Attest:

AFFILIATE GUARANTOR

By: /s/ Rachel C. Lee
Name: Rachel C. Lee
Title: Corporate Secretary

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer

ANNEX A

INFORMATION SPECIFIC TO THE SHIPOWNER, THE AFFILIATE GUARANTOR AND THE SECOND VESSEL GUARANTEE TRANSACTION

Actual Cost (See Section 8.01 of Annex C of the Agreement):	\$210,797,012 (See Table A below for Calculation and Itemization)
Administrator's Address for Notices:	MARITIME ADMINISTRATOR Maritime Administration 1200 New Jersey Avenue, S.E. Washington, D.C. 20590 ATTN: Office of Marine Financing Telephone Number: (202) 366-5737 Email Address: marinefinancing@dot.gov
Affiliate Guarantor(s):	Name: Matson, Inc. Organizational Form: Corporation Jurisdiction of Organization: Hawaii <input type="checkbox"/> None
Affiliate Guarantor(s)' Address for Notices:	Street Address: 555 12th Street, Oakland, CA 94607 Name of Contact: Treasurer Telephone Number: (510) 628-4000 Email Address: bbowler@matson.com With a copy to: Street Address: 555 12th Street, Oakland, CA 94607 Name of Contact: General Counsel Telephone Number: Email Address: <input type="checkbox"/> Not Applicable
Aggregate Original Equity Investment (See Section 6.04 of Annex C of the Agreement):	Name of Vessels/Aggregate Original Equity Investment: KAIMANA HILA: \$71,213,012

Amount of the Administrator's Guarantee (See Section 2.01 of Annex C of the Agreement):	\$139,584,000, plus an additional amount as the Administrator or the Deputy Maritime Administrator may approve, up to, but not exceeding, 10% of the Actual Cost or Depreciated Actual Cost (plus interest to the date of payment)
Amount of Administrator's Note (See Section 3.01 of Annex C and Annex E of the Agreement):	\$139,584,000, plus an additional amount as the Administrator or the Deputy Maritime Administrator may approve, up to, but not exceeding, 10% of the Actual Cost or Depreciated Actual Cost
Applicable Guarantee Percentage:	<p><input checked="" type="checkbox"/> Not more than 77.5 % of the Depreciated Actual Cost or the Actual Cost of both Vessels</p> <p><input type="checkbox"/> Not more than 87.5 % of the Depreciated Actual Cost or the Actual Cost of the Vessels</p> <p>(See Table A of Annex A below for itemization and calculation)</p>
Application Date (See Recital E of Introduction of the Agreement):	September 25, 2014 and amended as of August 11, 2016
Approved Interest Rate (See Section 14.02 of Annex C and Annex E of the Agreement):	For each deemed Advance under the Administrator's Note, the basic interest rate per annum applicable to the corresponding Advance under the Note <u>plus</u> , in the event the Shipowner elects a Par Prepayment/Refinancing Privilege with respect to such Advance under such Note, a fee (expressed in terms of a basis point incremental to the applicable interest rate) determined by FFB on the basis set forth in the Note.
Charter Hire and Rent Limitation (See Section 12.02(i) of Annex C of the Agreement):	6% of Consolidated Revenue (calculated in accordance with GAAP) for such fiscal year.
Construction Contract (See Section 2.03(a) and other Sections of Annex C of the Agreement):	With respect to the Vessel KAIMANA HILA: Shipbuilding Contract made as of November 6, 2013, between the Shipyard and the Shipowner, for the construction of one Aloha Class containership, Hull No. 30
Depreciated Actual Cost (See Table A of Annex A to this Amendment):	\$201,277,564

	(See Table A below for Calculation and Itemization) <input type="checkbox"/> Not Applicable
FFB Address for Notices:	Federal Financing Bank Main Treasury Building 1500 Pennsylvania Avenue, N.W. Washington, D.C. 20220 Attention: Chief Financial Officer Telephone Number: (202) 622-2470 Facsimile Number: (202) 622-0707
Financial Information of Affiliate Guarantors on Closing Date (See Section 13.02 of Annex C of the Agreement)	i) Working Capital \$N/A ii) Net Worth \$799.5 million iii) Long Term Debt to Net Worth N/A iv) Consolidated Leverage Ratio 3.44
Financial Information of Shipowner on Closing Date (See Section 13.01 of Annex C of the Agreement)	i) Working Capital \$0.1 million ii) Net Worth \$1,298.8 million iii) Long Term Debt to Net Worth 0.79:1.00
Financing (See Article I of Annex C of the Agreement):	<input checked="" type="checkbox"/> Mortgage Period Financing <input type="checkbox"/> Construction Period Financing
First Principal Payment Date (See Annex E of this Amendment):	March 15, 2021
Foreign Item Waivers (See Table A of Annex A of this Amendment):	<input checked="" type="checkbox"/> Specify: \$54,687,590 <input type="checkbox"/> None
Governing Law State (See Section 18.10(a) of Annex C of the Agreement):	California law to be applied absent applicable federal law, including federal common law
Guarantee Fee (See Section 2.03(p) of Annex C of the Agreement):	\$6,655,785 <input checked="" type="checkbox"/> Shipowner Elects to Include Guarantee Fee as Item of Actual Cost of Vessels
Insurance Requirements (See Section 11.10(e) of Annex C of the Agreement):	Oil pollution liability subject to a sub-limit of \$1 billion any one accident or occurrence. P&I War Risk Clause \$500 million. Contractual extension, through transport extension and cargo deviation \$5m combined single limit.

Interest Escrow Fund Deposit (See Sections 2.03(q) and 5.01 of Annex C of the Agreement):	<input type="checkbox"/> Six Months Interest Payment of \$ _____ <input checked="" type="checkbox"/> Waived
Investigation Fee (See Section 2.03(p) of Annex C of the Agreement):	\$446,773, less the \$5,000 filing fee and \$102,421 paid for conducting an external review, equal to a total net amount of \$339,352
Jurisdiction State/City (See Section 18.10(b) of Annex C of the Agreement):	Washington, D.C.
Late Charges Reserve Subfund Deposit (See Section 6.09 of Annex C of the Agreement):	\$10,000
Letter Commitment Date (See Recital H of Introduction of the Agreement):	March 23, 2020
Mandatory Progress Prepayment Amount (See Section 3.02 of Annex C of the Agreement):	<input type="checkbox"/> ____% of Reserve Fund Net Income over Mandatory Progress Prepayment Threshold <input checked="" type="checkbox"/> Not Applicable
Mandatory Progress Prepayment Threshold (See Section 3.02 of Annex C of the Agreement)	<input type="checkbox"/> Reserve Fund Net Income > \$ _____ <input checked="" type="checkbox"/> Not Applicable
Maximum Payment Amount of Losses Directly to Shipowner (See Section 11.10(c) of Annex C of the Agreement):	\$2,500,000
Maximum Self-Insurance Amount (See Section 11.10(b)(4) and 11.10(e) of Annex C of the Agreement):	\$2,500,000
Second Vessel Note (See Article II of this Amendment):	The future advance promissory note of Shipowner to FFB in the Maximum Principal Amount of \$139,584,000 Note Identifier: [MATNAV 0002]
Second Vessel Note Purchase Agreement (See Article II of this Amendment):	Date: June 22, 2020.
Payment Dates:	<input checked="" type="checkbox"/> Semi Annual Payment Dates: March 15th and September 15th of each year; or

	<input type="checkbox"/> Quarterly Payment Dates: _____, _____, _____ and _____ of each year
Qualifying Financial Tests of Affiliate Guarantor(s) (See Section 13.02 of Annex C of the Agreement):	(i) Net Worth \geq 90% of amount shown on the Affiliate Guarantor's Audited Financial Statements that are most recent prior to the Closing Date (ii) Comply with the Maximum Consolidated Leverage Ratio Covenant set forth in the Existing Credit Agreement (iii) Other: N/A <input type="checkbox"/> None
Qualifying Financial Tests of Shipowner (See Section 13.01 of Annex C of the Agreement):	(i) Working Capital \geq \$1.00 (ii) Net Worth \geq N/A (iii) Long-Term Debt to Net Worth \leq two (2):one (1) (iv) Other: N/A
Required Equity Amount (See Section 8.03(a) of Annex C of the Agreement):	\$61,693,564, which is not less than 30.65% of the Depreciated Actual Cost of the KAIMANA HILA as of the Second Closing Date
Shipyard:	Philly Shipyard, Inc. (formerly, Aker Philadelphia Shipyard, Inc.)
Shipyard Project (See Section 6.06 of Annex C of the Agreement):	<input type="checkbox"/> [Insert description and location of Shipyard Project] X Not Applicable
Special Provisions (See Annex X of the Agreement)	X Applicable <input type="checkbox"/> Not Applicable
Special Security Default (See Section 14.01(b)(9) of Annex C of the Agreement):	X Not Applicable
Special Subordinated Liens (See Annex B definition of Permitted Liens):	None
Stated Maturity Date (See Sections 7.08 and 13.13 of Annex C of the Agreement and Annex E to this Amendment):	<input type="checkbox"/> Twenty (20) years from Closing Date <input type="checkbox"/> Twenty-Five (25) years from Closing Date X Other: March 15, 2044_____

Supplemental Financial Tests of Affiliate Guarantor(s) (See Section 12.02 of Annex C of the Agreement):	(i) Net Worth \geq 90% of amount shown on the Affiliate Guarantor's Audited Financial Statements that are most recent prior to the Second Closing Date (ii) Comply with the Maximum Consolidated Leverage Ratio Covenant (iii) Other: Maintain a Qualifying Credit Agreement, unless maintained by the Shipowner (30-day grace period applies) <input type="checkbox"/> None
Supplemental Financial Tests of Shipowner (See Section 12.02 of Annex C of the Agreement):	(i) Working Capital \geq \$1.00 (ii) Long-Term Debt to Net Worth \leq 2:1 (iii) Other: Maintain a Qualifying Credit Agreement, unless maintained by the Affiliate Guarantor (30-day grace period applies) <input type="checkbox"/> None
UCC Filing State (State where UCC-1 was filed):	Hawaii
Vessels (See Section 2.03(d) of Annex C of the Agreement):	Type: Aloha class containership Number of Vessels: 1 Hull Identification Number, if available, Name, if available, and USCG Documentation Number, if applicable: KAIMANA HILA, Official Number: 1274135

TABLE A

As determined by the Administrator (a) the aggregate Actual Cost of the Second Vessel is \$210,797,012 representing (1) the amounts paid by or for the account of the Shipowner as of the date hereof for the Construction of the Second Vessel, plus (2) the amount which the Shipowner is on the date hereof obligated to pay under the Construction Contract or is otherwise from time to time hereafter obligated to pay for the Construction of the Second Vessel; and (b) the aggregate Depreciated Actual Cost of the Second Vessel as of the Closing Date is \$201,277,564 representing (1) the aggregate Actual Cost of the Second Vessel as of the date hereof, less (2) the depreciation of the Second Vessel as of the date hereof, both calculated and itemized as follows:

	Item of Cost [1]	Amount Paid [2]	Amount Obligated to be Paid [3]	Total [4]
[A]	Shipyards Contract Price (excluding unpaid amounts held in escrow as of October 17, 2019)	\$198,113,963		\$198,113,963
[B]	Contract Changes and Extras	(1,648,150)		(1,648,150)
[C]	Owner Furnished Items	2,703,417		2,703,417
[D]	Design, Engineering and Inspection	657,897		657,897
[E]	Foreign Items Exclusions (unless Foreign Item Waivers applicable)	(188,632)		(188,632)
[F]	Subtotal ([4A] + [4B] + [4C] + [4D] - [4E]) = [4F])	\$199,638,495		\$199,638,495
[G]	Estimated Guarantee Fee	6,655,785		6,655,785
[H]	Construction Period Interest	6,883,217		6,883,217
[I]	Approved Construction Contract Escalation and Other Adjustments	(2,380,485)		(2,380,485)
[J]	Total Actual Cost ([4F] + [4G] + [4H] + [4I] = [4J])	\$210,797,012		\$210,797,012
[K]	Depreciation Recognized from Vessel Delivery Date to Second Closing Date	(9,519,449)		(9,519,449)

[L]	Total Depreciated Actual Cost ([4J] – [4K]) = [4L]	\$201,277,564		\$201,277,564
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(END OF ANNEX A)

ANNEX D

DISCLOSURE SCHEDULE

This Disclosure Schedule is delivered by Matson Navigation Company, Inc., a Hawaii corporation (the "***Shipowner***"), to THE UNITED STATES OF AMERICA (the "***United States***"), represented by the Maritime Administrator (the "***Administrator***") of the Maritime Administration, pursuant to Amendment No. 1 to the Consolidated Agreement, Contract No. 14454, by and between the Shipowner and the Administrator (as so amended, the "***Agreement***").

Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Agreement.

This Disclosure Schedule is intended to be read in conjunction with the Agreement, of which this Disclosure Schedule is an integral part. This Disclosure Schedule and the information and disclosures contained herein are intended to qualify and limit the representations, warranties and covenants of the Shipowner contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any such representations, warranties or covenants. This Disclosure Schedule is not intended to constitute, and shall not be construed as constituting, representations, warranties, covenants or agreements of the Shipowner, except as and to the extent provided in the Agreement. The disclosures set forth in this Disclosure Schedule have been drafted subject to and in response to the language used in the Agreement, including qualifications that limit certain required disclosures to materiality or are subject to stated monetary thresholds, as applicable.

Inclusion of any item, information or matter in this Disclosure Schedule (i) does not represent an admission or determination by the Shipowner that such item, information or matter is or is reasonably likely to be material or would constitute a material adverse effect, nor shall it be deemed to establish a standard for materiality or a Shipowner material adverse effect, (ii) shall not constitute, or be deemed to be, an admission of liability concerning such items, information or matters by the Shipowner, and (iii) shall not be used in any dispute or controversy between the parties to determine whether any obligation, item or matter (whether or not described herein or included in any schedule) is or is not material for purposes of the Agreement. In cases where a representation or warranty is qualified by a reference to materiality or a Shipowner material adverse effect the disclosure of any item, information or matter in this Disclosure Schedule shall not imply that any other undisclosed item, information or matter that has a greater value or could otherwise be deemed more significant (i) is or is reasonably likely to be material or (ii) has had or is reasonably likely to result in a Shipowner material adverse effect. The items, information and matters in this Disclosure Schedule include brief descriptions of certain aspects of the assets, business, agreements, documents or condition of Shipowner, and such descriptions are necessarily not complete.

Inclusion of any item, information or matter in this Disclosure Schedule shall not constitute, or be deemed to be, an admission by any person of any information, matter or item whatsoever with respect to any violation of Law (or that disclosure is required under Law) or any breach of, or default under, any contract.

Any matter disclosed in a section of this Disclosure Schedule shall be deemed disclosed

for the purposes of the Section of the Agreement to which such section relates and any other Sections of the Agreement to the extent it is reasonably apparent that such disclosure also qualifies or applies to such other Sections.

Items, information and matters reflected in this Disclosure Schedule are not necessarily limited to items, information or matters required by the Agreement to be reflected in the Schedules. Such additional items, information and matters are set forth for information purposes and do not necessarily include other items, information or matters of a similar nature or impose any duty or obligation to disclose any items, information or matters beyond what is required by the Agreement.

The headings used in the Schedules are for reference only and shall not affect the disclosures contained herein.

Any references to “we”, “us”, or “our” in the Schedules shall mean the Shipowner.

1. List any exceptions to the representation and warranty set forth in Annex C - General Terms and Conditions.

SECTION 10.17. Subsidiaries; Equity Interest.

1. The Shipowner has the following subsidiaries:
 - a. See the attached Exhibit A
2. The Shipowner has the following equity investments:
 - a. SSA Terminals, LLC
 - b. Pension and Post-Retirement Plans include investments in equity securities
 - c. Investments in Mutual Funds
2. List any Commercial Tort Claim, including a description of the commercial tort claim with specificity (See Section 4.01(a)(3) – Commercial Tort Claims). *If none, please so indicate by checking the box: x.*
3. As of the Closing Date, the binding agreements referred to in Sections 12.01(f), 12.02(e), (j) and (l) are the following:
 - a. Amended and Restated Guaranty Agreement dated as of June 29, 2017 by and among Matson Navigation Company, Inc., certain other subsidiaries of Matson, Inc. and Bank of America, N.A., as agent, pursuant to the Amended and Restated Credit Agreement dated as of June 29, 2017 by and among Matson, Inc., certain lenders, and Bank of America, N.A., as agent, as amended to the date hereof.
 - b. Multiparty Guaranty Dated as of June 29, 2012 by Matson Navigation Company, Inc. and certain other subsidiaries of Matson, Inc. pursuant to the Third Amended and Restated Note Purchase and Private Shelf Agreement dated as of September 14, 2016 by and among Matson, Inc. and the purchasers party thereto, as amended to the date hereof.
 - c. Multiparty Guaranty dated as of December 21, 2016 by Matson Navigation Company, Inc. and certain other subsidiaries of Matson, Inc. pursuant to the Note Purchase Agreement dated as of December 21, 2016 by and among Matson, Inc. and the purchasers party thereto, as amended to the date hereof.
 - d. Parent Company Agreement dated as of April 24, 2002 by Matson Navigation Company, Inc. and certain other parties thereto pursuant to the Amended and Restated Limited Liability Company Agreement of SSA Terminals, LLC dated as of April 24, 2002 by and among SSA Ventures and Matson Ventures, Inc., as amended to the date hereof.

(END OF ANNEX D)

EXHIBIT A to ANNEX D

Matson Navigation Company, Inc.	Hawaii
Subsidiaries:	
Matson Alaska, Inc.	Delaware
Subsidiaries:	
Horizon Lines Holding Corp.	Delaware
Subsidiaries:	
Horizon Lines of Puerto Rico, LLC	Delaware
HLPR Holding Corp.	Delaware
Horizon Logistics, LLC	Delaware
Subsidiaries:	
Horizon Services Group, LLC	Delaware
Aero Logistics, LLC	Delaware
Horizon Lines, LLC	Delaware
Subsidiaries:	
Horizon Lines of Guam, LLC	Delaware
Horizon Lines Vessels, LLC	Delaware
H-L Distribution Service, LLC	Delaware
Matson Navigation Company of Alaska, LLC	Delaware
Subsidiaries:	
Horizon Lines Merchant Vessels, LLC	Delaware
Subsidiaries:	
Horizon Lines Alaska Vessels, LLC	Delaware
Horizon Lines Alaska Terminals, LLC	Delaware
Matson Logistics, Inc.	Hawaii
Subsidiaries:	
Matson Logistics Services, LLC	Hawaii
Matson Logistics Warehousing, Inc.	Hawaii
Span Intermediate, LLC	Delaware
Subsidiary:	
Span Acquisition Co., LLC	Delaware
Subsidiaries:	
Span Alaska Transportation, LLC	Washington

Alaska Freight Express, LLC	Washington
Midnight Sun Transportation Services, LLC	Alaska
Matson Logistics Limited	Hong Kong
Matson Navigation Vessels, LLC	Delaware
Matson Terminals, Inc.	Hawaii
Matson Ventures, Inc.	Hawaii
Matson Logistics (Shanghai) Co., Ltd.	China
Matson Shipping (Hong Kong) Limited	Hong Kong
Matson Shipping (Shanghai) Co., Ltd.	China
Matson South Pacific Holdco Limited	New Zealand
Subsidiary:	
Matson South Pacific Limited	New Zealand
Subsidiaries:	
Matson Cook Islands Limited	Cook Islands
Tranz Pacific Ship Management Limited	New Zealand

ANNEX E
FORM OF ADMINISTRATOR'S NOTE

PROMISSORY NOTE TO UNITED STATES OF AMERICA
("Second Administrator's Note")
KAIMANA HILA

Matson Navigation Company, Inc., a Hawaii corporation (the "Shipowner"), for value received, promises to pay **THE UNITED STATES OF AMERICA** (the "United States"), represented by the Maritime Administrator of the Maritime Administration (the "Administrator"), at the office of the Maritime Administration, U.S. Department of Transportation, Washington, D.C., in lawful money of the United States of America, the aggregate principal amount of up to \$139,584,000, together with interest thereon until such principal sum has been paid, as and to the extent that after a Default has occurred and is continuing the Administrator makes payments under the Guarantee with respect to the Second Vessel or expressly assumes the Shipowner's right and duties under the Second Vessel Note hereinafter referred to. This Administrator's Note (the "Second Administrator's Note") is subject to mandatory prepayment on the same terms and conditions as the Second Vessel Note. Capitalized terms used herein have the meaning defined herein or in the Consolidated Agreement, Contract No. MA-14454, dated April 27, 2020, between the Shipowner and the Administrator, as amended by Amendment No. 1 dated as of the Second Closing Date (as so amended, the "Agreement").

This Second Administrator's Note is given (1) in consideration of the Administrator's issuance, pursuant to the provisions of 46 U.S.C. Chapter 537 of a Guarantee (the "Guarantee") of payment of the unpaid interest on and the unpaid balance of the principal amount of the Future Advance Promissory Note (FFB Note Identifier MATNAV 0002, Maximum Principal Amount \$139,584,000), dated as of the Second Closing Date (the "Second Vessel Note"), issued by the Shipowner to the Federal Financing Bank, a body corporate and instrumentality of the United States ("FFB"), pursuant to the Second Vessel Note Purchase Agreement, by and among FFB, the Shipowner and the Administrator, in order to finance a portion of the cost of construction of the Second Vessel, and (2) to evidence the Shipowner's obligation to pay the Administrator, after a Default has occurred and is continuing, any amount that the Administrator (i) actually pays to the Holder of the Second Vessel Note under said Guarantee or (ii) becomes obligated to pay the Holder after the Administrator expressly assumes the Shipowner's right and duties under the Second Vessel Note.

This Second Administrator's Note is issued pursuant to the provisions of the Agreement. The Agreement contemplates that on the date hereof, an amendment to the first preferred fleet mortgage on the Vessel (as so amended, the "Mortgage") adding the Second Vessel to the lien thereof will be executed and delivered by and between the Shipowner, as mortgagor, and the Administrator, as mortgagee, covering the Shipowner's interest in such Second Vessel. The definitions used in, and the provisions of, the Agreement and the Mortgage are incorporated herein by reference.

This Second Administrator's Note has been negotiated and received by the Administrator, is secured by the Agreement and the Mortgage, and is subject to all the terms of the Agreement and the Mortgage, to the same extent as if said documents were set out herein in full.

To the extent that the Second Vessel Note is Outstanding and until the Guarantee on the Second Vessel Note has been terminated pursuant to the provisions of Section 2.04(b) of Annex C to the Agreement, this Second Administrator's Note shall remain outstanding and unpaid, subject, however, to the last paragraph hereof. Payments on the Second Vessel Note shall be deemed a payment of principal and interest on this Second Administrator's Note, if any, and shall reduce any liability of the Shipowner under this Second Administrator's Note when paid in the following manner:

- (1) by payment of principal of and interest on the Second Vessel Note in accordance with the provisions thereof;
- (2) by any prepayment of the Second Vessel Note in accordance with the provisions thereof; and
- (3) when the Second Vessel Note has been Paid in full, other than by payment of the Guarantee.

If payment on the Second Vessel Note is made with moneys advanced or loaned to the Shipowner by the Administrator, such payment on the Second Vessel Note shall not, as to such amount, constitute payment of principal or interest on this Second Administrator's Note and the same shall not in any way be discharged as to such amount.

In the event that the Administrator assumes the Shipowner's rights and duties under the Second Vessel Note and makes any payments thereunder, such payments shall not, as to such amounts, constitute payment of principal and interest on this Second Administrator's Note and the same shall not in any way discharge such amounts until such time as this Second Administrator's Note is paid in full or otherwise discharged in an appropriate proceeding in a court of competent jurisdiction as established by the final order of a court of last resort or the final order of an inferior court which is not appealed.

The unpaid balance of the principal of this Second Administrator's Note and the interest hereon may be declared or may become immediately due and payable by declaration of the Administrator at any time after (i) a Default has occurred and is continuing under the terms of the Agreement and (ii) the Administrator has made payment under the Guarantee or the Second Vessel Note or has expressly assumed the Shipowner's right and duties under the Second Vessel Note. Upon such declaration, the unpaid balance of the principal of and the interest on this Second Administrator's Note shall become due and payable, together with interest thereon at the rate set forth in the Second Vessel Note plus two percent.

Notwithstanding anything to the contrary contained in this Second Administrator's Note, the Second Vessel Note, the Agreement or any other Transaction Document with respect to the Second

Vessel, (i) the obligations of the Shipowner under this Second Administrator's Note to make any payment hereunder shall come into effect solely following (x) a Default by the Shipowner and (y) in the event that the Administrator shall have made payment to the FFB under the Administrator's Guarantee of the Second Vessel Note or in the event that the Administrator shall have expressly assumed the Shipowner's rights and duties under the Second Vessel Note (such assumption referred to herein as an "Administrator Assumption"), (ii) any liability of Shipowner under this Second Administrator's Note shall not be in addition to the Shipowner's obligations under the Second Vessel Note and shall be reduced by any payments made by Shipowner or Affiliate Guarantor under the Second Vessel Note, (iii) this Second Administrator's Note shall evidence solely the Shipowner's obligation to pay the Administrator any amount that the Administrator may be required to pay to the Holder of the Second Vessel Note under said Guarantee, (iv) the amounts due and owing by Shipowner under the Second Vessel Note and this Second Administrator's Note shall constitute a single indebtedness in a maximum collective principal amount not in excess of the face amount of this Second Administrator's Note, (v) the Administrator waives any rights of subrogation, contribution, agreement, or otherwise arising under the Second Vessel Note, it being the intent of the parties that the Administrator's right to recover from the Shipowner any payments it makes under the Guarantee shall be solely as set forth in this Second Administrator's Note (it being acknowledged and agreed that the obligations of the Shipowner under this Second Administrator's Note are secured by the Collateral), (vi) the maximum liability of Shipowner and Affiliate Guarantor, collectively, under the Transaction Documents with respect to principal payments on the Second Vessel Note and this Second Administrator's Note, collectively, shall in no event be in excess of the face amount of this Second Administrator's Note and (vii) in the event of an Administrator Assumption, then the Shipowner shall be automatically and by operation of law discharged from any further liability under the Second Vessel Note. In the event the Administrator becomes the "Holder" of the Second Vessel Note, the Second Vessel Note shall be deemed amended to become consistent with the terms of this paragraph. Upon any Administrator Assumption or any payment by the Administrator under its Guarantee of the Second Vessel Note, (i) the Administrator shall provide prompt written notice of such assumption and/or payment to the Shipowner and (ii) regardless of when such notice is provided, the Administrator shall upon the written request of the Shipowner confirm payment of any such obligations assumed or paid by the Administrator under the Second Vessel Note.

IN WITNESS THEREOF, the Shipowner has caused this Second Administrator's Note to be signed on the Second Closing Date.

(SEAL)
Attest:

Matson Navigation Company, Inc.,
Shipowner

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**ANNEX F
FORM OF AMENDMENT AND SUPPLEMENT NO. 1 TO PREFERRED FLEET
MORTGAGE**

Contract No. MA-14455

**AMENDMENT AND SUPPLEMENT NO. 1 TO FIRST PREFERRED FLEET
MORTGAGE**

THIS AMENDMENT AND SUPPLEMENT NO. 1, dated June 12, 2020 (this "**Amendment No. 1**"), to FIRST PREFERRED FLEET MORTGAGE, dated the 16th day of April, 2020 (as so amended, the "**Mortgage**"), is made by Matson Navigation Company, Inc., (the "**Shipowner**" or "**Mortgagor**"), a Hawaii corporation, having offices located at 555 12th Street, Oakland, California 94607, and THE UNITED STATES OF AMERICA (the "**United States**"), represented by the Maritime Administrator of the Maritime Administration (the "**Mortgagee**" or the "**Administrator**"), having offices located at the United States Department of Transportation, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Capitalized terms used herein, unless otherwise defined herein, have the respective meanings set forth in the Agreement referred to below or in Appendix 1 to the Mortgage.

RECITALS

A. The Mortgagor has authorized the execution and delivery of the Second Vessel Note Purchase Agreement and the issuance of the Second Vessel Note in the Maximum Principal Amount of \$139,584,000, to finance, in part, the construction costs of the construction of the KAIMANA HILA, Official Number 1274135 (the "**Second Vessel**").

B. The Mortgagor is the sole owner of the whole of the Second Vessel which has been duly documented under the laws of the United States;

C. In connection with the Financing, the Mortgagee and the Mortgagor intend to enter into an Amendment No. 1 to the Consolidated Agreement, Contract No. MA-14454 (the "**Agreement**"), in which the United States, represented by the Mortgagee, commits to guarantee to the Holder the due payment of the unpaid interest on, and the unpaid balance of the principal of, the Second Vessel Note up to the Amount of Administrator's Guarantee;

D. In connection with the Financing, the Mortgagor intends to issue the Second Administrator's Note payable to the Mortgagee in the amount equal to the Amount of the Administrator's Guarantee;

E. To secure the Guarantee of the Second Vessel Note and the payment of the Second Administrator's Note and the other obligations of the Mortgagor under this Mortgage, the Agreement and the other Transaction Documents, the Mortgagor and the Mortgagee have executed and delivered this Amendment No. 1 to Mortgage; and

F. The Mortgage, as amended and supplemented hereby, covers the whole of the Vessels listed on Schedule 1 hereto.

NOW, THEREFORE, THIS AMENDMENT WITNESSETH:

ARTICLE FIRST

The Mortgage is in all respects confirmed, affirmed, reaffirmed, and continued, including all of the covenants and agreements on the part of the Shipowner which are set forth therein or incorporated therein by reference and all the rights, privileges, powers and immunities of the Mortgagee which are provided for in the Mortgage.

ARTICLE SECOND

FURTHER, THIS AMENDMENT WITNESSETH THAT, in consideration of the premises and of the additional covenants herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and as security for the Guarantee of the Note and the Second Vessel Note and in order to secure the payment of the Administrator's Note and the Second Administrator's Note, and the other obligations of the Mortgagor under the Transaction Documents related to the Vessels, including the Mortgage and the Agreement, and the due performance and observance of all the agreements and covenants in the Second Vessel Note and the Second Administrator's Note and the Transaction Documents related to the Vessels, including the Mortgage and the Agreement, the Mortgagor has granted, conveyed, mortgaged, pledged, confirmed, assigned, transferred and set over, and by these presents does grant, convey, mortgage, pledge, confirm, assign, transfer and set over unto the Mortgagee a hundred percent interest in the whole of the Second Vessel which is more fully described in its certificate of documentation, together with all of its boilers, engines, motors, machinery, masts, spares, rigging, boats, anchors, cables, chains, tools, pumps and pumping equipment, apparel, furniture, skiffs, sails, fittings, navigation equipment, propulsion equipment, and all other equipment, electronics, computers, software, electronic records, records and papers whether on board or not, together with all accessions, substitutions, additions, replacements, improvements, parts and accessions, now existing or hereafter made of, in or to said Second Vessel or said appurtenances (collectively, the "***Second Vessel Collateral***"). From and after the Second Closing Date, the term "Vessel Collateral" as defined in the Mortgage shall include the Second Vessel Collateral.

TO HAVE AND TO HOLD, all and singular, the above-mortgaged and described property unto the Mortgagee, to its use, benefit and advantage forever.

PROVIDED ALWAYS, that if the Mortgagor shall pay, or cause to be paid, the principal of, interest on and other amounts due under the Second Vessel Note or the Second Administrator's Note in accordance with the terms thereof, and shall pay any and all other sums that may hereinafter become secured by this Mortgage in accordance with the terms hereof, and shall keep, perform and observe all of the covenants and promises contained in the Second Vessel Note, the Second Administrator's Note, and the Transaction Documents, including the Mortgage and the Agreement, or expressed, or implied therein and herein to be kept, performed, and observed by or on the part of the Mortgagor, then the Mortgage and the estate and rights hereby granted shall

cease and be void; otherwise to remain in full force and effect.

The Mortgagor hereby covenants and agrees with the Mortgagee that the Second Vessel subject to the lien of this Mortgage is to be held by the Mortgagor subject to the further agreements and conditions set forth in the Mortgage.

ARTICLE THIRD

The total principal amount of the obligations that is secured by the Mortgage, as amended and supplemented hereby, is THREE HUNDRED TWENTY FIVE MILLION FIVE HUNDRED TWENTY SEVEN THOUSAND AND NO/100'S UNITED STATES DOLLARS (\$325,527,000), excluding interest, expenses, and fees. The date of maturity is March 15, 2044, and the discharge amount is the same as the total amount of the outstanding obligations plus unpaid accrued interest.

ARTICLE FOURTH

SECTION 1. All of the covenants and agreements on the part of the Shipowner which are set forth in, and all the rights, privileges, powers and immunities of the Mortgagee which are provided for in, the Mortgage are incorporated herein and shall apply to the Second Vessel and otherwise with the same force and effect as though set forth at length in this Amendment.

SECTION 2. This Amendment is executed as and shall constitute an instrument supplemental to and amending and shall be construed with and as part of the Mortgage.

SECTION 3. This Amendment may be executed in any number of counterparts and all such counterparts executed and delivered each as an original shall constitute but one and the same instrument.

SECTION 4. Except as modified and expressly amended by this Amendment and any other supplement or amendment, the Mortgage is in all respects ratified and confirmed and all the terms, provisions and conditions thereof shall be and remain in full force and effect.

IN WITNESS WHEREOF, the Shipowner has executed this instrument on the date indicated in the acknowledgment below, effective as of the day and year first above written.

Shipowner

By: _____
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Alameda

On _____ before me, _____, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

IN WITNESS WHEREOF, the Administrator has executed this instrument on the date indicated in the acknowledgment below, effective as of the day and year first above written..

MARITIME ADMINISTRATOR

By: _____
Secretary,
Maritime Administration

ACKNOWLEDGMENT

DISTRICT OF COLUMBIA)
)
CITY OF WASHINGTON)

I, the undersigned, a Notary Public in and for the District of Columbia, do hereby certify that, _____ known to me to be the Secretary, Maritime Administration, Department of Transportation, the United States of America, personally appeared before me in said District, and executed as Secretary, Maritime Administration, the foregoing instrument, and acknowledged the same to be his or her free act and deed in such official capacity.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ___ day of _____, 2020.

Notary Public
My Commission Expires:



SCHEDULE 1

TO

AMENDMENT AND SUPPLEMENT NO. 1

TO

FIRST PREFERRED FLEET MORTGAGE

Vessels subject to Mortgage

KAIMANA HILA, Official Number 1274135

DANIEL K. INOUE, Official Number 1274136

ANNEX G
FORM OF ASSIGNMENT OF CONSTRUCTION CONTRACT

ASSIGNMENT OF CONSTRUCTION CONTRACT

THIS ASSIGNMENT OF CONSTRUCTION CONTRACT (this “**Assignment**”) is made as of the Second Closing Date, by Matson Navigation Company, Inc., a Hawaii corporation (the “**Shipowner**”), to and in favor of THE UNITED STATES OF AMERICA (the “**United States**”), represented by the Maritime Administrator of the Maritime Administration (the “**Administrator**”), pursuant to Chapter 537 of Title 46 of the United States Code (“**Chapter 537**”).

For value received, the Shipowner, as of the Second Closing Date, pursuant to the Consolidated Agreement, Contract No. MA-14454, dated as of April 27, 2020, between the Shipowner and the Administrator, as amended by Amendment No. 1 dated as of the Second Closing Date (as the same may be further amended, supplemented, or modified, the “**Agreement**”) in which the Administrator agreed to guarantee, subject to the terms and conditions thereof, a loan to Shipowner up to the Amount of Administrator’s Guarantee with respect to the Second Vessel, hereby sells, grants, assigns, transfers and sets over to the United States, represented by the Administrator, all of its rights, title and interest in and to that certain Construction Contract between Shipowner and Philly Shipyard, Inc. (f/k/a Aker Philadelphia Shipyard, Inc., the “**Shipyard**”) dated November 6, 2013 (the “**Construction Contract**”), annexed hereto as Exhibit A, and as may be amended, in connection with the construction of the KAIMANA HILA, Official Number 1274135. Capitalized terms not defined herein, unless otherwise defined herein, shall have the respective meanings set forth in the Agreement.

This Assignment is made to aid the Administrator in appropriate circumstances to better protect its security for the obligations of the Shipowner under the Agreement and the other Transaction Documents. The Shipowner represents and warrants to the Administrator that it has not made any previous assignment of its interest in the Construction Contract, that to the knowledge of the Responsible Officers of the Shipowner, the Construction Contract has not been terminated and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of the Construction Contract shall be valid without the written approval of Administrator provided that the Administrator’s prior written consent shall not be necessary, but prior written notice to the Administrator shall be given, for any mandatory changes to the Construction Contract as a result of any requirements of any governmental agency. The Shipowner agrees not to assign, sell, pledge, mortgage or otherwise transfer or encumber its interest in the Construction Contract so long as this Assignment is in effect.

The Shipowner agrees that the Administrator shall not be under any obligation or liability with respect to the Construction Contract. No request by the Administrator to the Shipyard shall be honored unless in writing.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Shipowner, the Administrator and the Shipyard.

This Assignment shall be governed by, and construed and interpreted in accordance with the laws of the United States of America, including federal common law, and absent applicable federal law, the laws of the Governing Law State, notwithstanding its conflict of laws rules.

The term of this Assignment shall expire at such time as the Shipowner's obligations under the Transaction Documents are paid in full and performed in full.

This Assignment may be executed in counterparts, each of which shall be deemed an original but all of which when taken together shall constitute but one and the same instrument.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Shipowner has executed this Assignment as of the date first written above.

(SEAL)

SHIPOWNER

Attest:

By: _____
Name: Rachel C. Lee
Title: Assistant Secretary

By: _____
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer

EXHIBIT A
EXECUTED COPY OF CONSTRUCTION CONTRACT

(End of Annex G)

**ANNEX H-1
FORM CONSENT OF SHIPYARD**

CONSENT OF SHIPYARD

THIS CONSENT OF SHIPYARD (this “**Consent**”) is made as of the Second Closing Date, by Philly Shipyard, Inc. (f/k/a Aker Philadelphia Shipyard, Inc.), a Pennsylvania corporation (the “**Shipyard**”), to and in favor of THE UNITED STATES OF AMERICA (the “**United States**”), represented by the Maritime Administrator of the Maritime Administration (the “**Administrator**”), pursuant to Chapter 537 of Title 46 of the United States Code (“**Chapter 537**”).

RECITALS:

A. Matson Navigation Company, Inc., a Hawaii corporation (the “**Shipowner**”) and the Administrator are parties to the Consolidated Agreement, Contract No. MA-14454, dated as of April 27, 2020, as amended by Amendment No. 1 thereto (as so amended, the “**Agreement**”);

B. It is a condition of the Agreement that the Shipyard consents, acknowledges and agrees to the assignment by the Shipowner of all of the right, title and interest of the Shipowner in and to the certain Shipbuilding Contract dated as of November 6, 2013, as amended, between the Shipyard and the Shipowner (the “**Construction Contract**”), for the construction of Hull 30, now known as the KAIMANA HILA, Official Number 1274135 (the “**Second Vessel**”).

NOW, THEREFORE, in consideration of the premises herein contained, to induce the Administrator to issue a guarantee of the Second Vessel Note dated on or about the date hereof, issued by the Shipowner to the Federal Financing Bank, a body corporate and instrumentality of the United States (“FFB”), pursuant to the Second Vessel Note Purchase Agreement, dated on or about the date hereof, by and among FFB, the Shipowner and the Administrator pursuant to Chapter 537 (the “Administrator’s Guarantee”), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. As used herein, (a) capitalized terms defined above have the respective meanings given such terms above; and (b) unless otherwise defined herein, with respect to Uniform Commercial Code (“UCC”) terms, all other capitalized terms contained in this Consent shall have the meanings provided for by the UCC, as adopted in the State of California.

2. The Shipyard acknowledges that it has received a true copy of the form of the Assignment of Construction Contract, dated on or about the date hereof (the “**Assignment**”), executed by the Shipowner.

3. The Shipyard hereby acknowledges receipt of notice of, and hereby consents and agrees to the assignment and grant by the Shipowner to the Administrator pursuant to the Assignment of a continuing security interest, lien and right of setoff in and to all of the Shipowner’s right, title and interest in the Construction Contract and the proceeds thereof, if any such exist, or shall exist in the future. Such proceeds include any amounts that may be due to be refunded to the

Shipowner by the Shipyard or by any subcontractor or supplier to the Shipyard arising out of the Construction Contract and any subcontracts or supply contracts into which the Shipyard has entered into. In the event of a default of the Shipyard under the Construction Contract, the Administrator may enforce the Shipowner's rights thereunder.

4. The Shipyard hereby acknowledges, understands and agrees that:

(a) The Administrator shall, by virtue of the Agreement, have no obligation or duty under the Construction Contract and shall not be required to make any payment due and owing by the Shipowner under the Construction Contract (it being understood that nothing in the Assignment diminishes the Shipowner's obligations or duties to perform under the Construction Contract);

(b) The Shipyard shall promptly pay any amount coming due to the Shipowner under the Construction Contract to the Shipowner, except that during any period after the Shipyard shall have received written notice from the Administrator indicating the existence of a Default as defined in the Agreement and until the Administrator shall have notified the Shipyard in writing that such Default has been cured or waived, the Shipyard shall pay any amount coming due to the Shipowner under the Construction Contract promptly to the Administrator for application pursuant to the Agreement;

(c) Except during any period after the Shipyard shall have received written notice from the Administrator indicating the existence of a Default under the Agreement and until the Administrator shall have notified the Shipyard in writing that such Default has been cured or waived, the Shipowner shall be entitled to exercise all of its rights under the Construction Contract with respect to the Vessel and to receive all of the benefits thereunder, subject to Paragraph 4(b) hereof, to the same extent as if the Construction Contract had not in any way been subjected to a continuing security interest, lien and right of setoff under the Agreement.

5. The title of this Consent and the headings of the sections are not a part of this Consent and shall not be deemed to affect the meaning or construction of any of its provisions.

6. Any and all notices to the Shipyard in connection with this Consent shall be given in accordance with the notice provisions of the Construction Contract.

(REMAINDER OF PAGE INTENTIONALLY BLANK)

(SIGNATURE PAGE ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the Shipyard has caused this Consent to be duly executed as of the day and year first above written.

(SEAL)
Attest:

PHILLY SHIPYARD, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(END OF ANNEX H-1)

**ANNEX I
FORM OF ASSIGNMENT OF EARNINGS**

ASSIGNMENT OF EARNINGS

THIS ASSIGNMENT OF EARNINGS (this "**Assignment**") is made as of the Second Closing Date, by Matson Navigation Company, Inc., a Hawaii corporation (the "**Shipowner**"), to and in favor of THE UNITED STATES OF AMERICA (the "**United States**"), represented by the Maritime Administrator of the Maritime Administration (the "**Administrator**"), pursuant to Chapter 537 of Title 46 of the United States Code ("**Chapter 537**").

RECITALS:

A. The Shipowner and the Administrator are parties to that certain Consolidated Agreement, Contract No. MA-14454, dated as of April 27th, 2020, as amended by Amendment No. 1 thereto, dated the date hereof (as so amended, the "**Agreement**");

B. The Shipowner intends to issue the Second Administrator's Note pursuant to the Agreement;

C. The Agreement requires the Shipowner to secure the payment of the Administrator's Note by Liens on, among other things, the Collateral (as defined in the Agreement), including the Earnings (as herein defined); and

D. This Assignment sets forth the terms on which the Shipowner grants an assignment of and a Lien on Earnings (as hereinafter defined) in favor of the Administrator as collateral security for the Obligations.

NOW, THEREFORE, in consideration of the premises herein and to induce the Administrator to issue the Guarantee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS**

SECTION 1.01. Definitions. As used herein:

(a) Unless otherwise defined herein, capitalized terms used herein have the respective meanings set forth in the Agreement;

(b) Unless otherwise defined herein, with respect to Uniform Commercial Code ("UCC") terms, all other capitalized terms contained in this Assignment and not otherwise defined herein shall have, when the context so indicates, the meanings provided for by the UCC, as adopted in the UCC State, to the extent the same are used or defined therein; and

(c) Except as otherwise specified herein or as the context may otherwise require, the following terms have the respective meanings set forth below for all purposes of this Assignment:

“*Contract*” means each rental agreement, lease, charter (excluding all slot charters), exchange, transfer or sale agreement relating to the Second Vessel to which the Shipowner is a party from time to time.

“*Earnings*” means: (a) all the Shipowner’s right, title and interest to and in whatever is received (whether voluntary or involuntary, whether cash or non-cash, including proceeds of insurance and condemnation awards, rental or lease payments, accounts, chattel paper, instruments, documents, contract rights, general intangibles, equipment and/or inventory) upon the lease, sale, charter (excluding all slot charters), exchange, transfer, or other disposition of any of the Second Vessel Earnings Collateral; (b) all claims for damages for any breach by any charterer or other party thereto of any bareboat or time charter, or lease of the Second Vessel; and (c) all remuneration payable by or on behalf of a governmental authority in respect of any detention of the Second Vessel.

“*Obligations*” means all of the obligations and liabilities of the Shipowner under the Agreement, the Administrator’s Note, the Mortgage and the other Transaction Documents with respect to the Vessels and with respect to the Guarantee of the Note and the Second Vessel Note whether now made or hereafter entered into.

“*Proceeds*” means (A) whatever is acquired upon the sale, lease, license, exchange, or other disposition of Earnings; (B) whatever is collected on, or distributed on account of, Earnings; (C) rights arising out of Earnings; (D) to the extent of the value of Earnings, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the Earnings; or (E) to the extent of the value of Earnings and to the extent payable to the Shipowner or the Administrator, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the Earnings.

“*Second Vessel*” means the KAIMANA HILA, Official Number 1274135.

ARTICLE II ASSIGNMENT

SECTION 2.01. Assignment. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, the Shipowner does hereby assign, transfer and convey to the Administrator, its successors and assigns, and does hereby grant to the Administrator, its successors and assigns, a first priority continuing security interest in, lien on and right of setoff against, all of the following, wherever located, whether now owned or at any time hereafter acquired by the Shipowner or in which the Shipowner now has or at any time in the future may acquire any right, title or interest in (collectively, the “**Second Vessel Earnings Collateral**”):

- (a) the Earnings of the Second Vessel from any source;

(b) all moneys or other compensation payable by reason of requisition of title or for hire or other compulsory acquisition of the Second Vessel or the Second Vessel's capture, seizure, arrest, detention or confiscation by any governmental authority or Persons acting on behalf of any governmental authority; and

(c) all Proceeds and products of the foregoing.

Upon the occurrence and continuation of a Default, the Shipowner hereby authorizes and directs any party to a Contract and their respective successors and assigns to treat and regard the Administrator as the party entitled, in the Shipowner's place and stead, to receive said Proceeds and amounts and to exercise all rights of the Shipowner with respect thereto; and said parties shall be fully protected in so treating and regarding the Administrator and shall be under no obligation to see to the application by the Administrator of any such Proceeds received by it. In addition to the rights granted to the Administrator hereunder, the Shipowner hereby further transfers and assigns to the Administrator by way of security any and all such Liens, financing statements or similar interests of the Shipowner attributable to its interest in the Second Vessel Earnings Collateral arising under or created by any statutory provision, judicial decision or otherwise.

SECTION 2.02. Account Debtors. No Person making payments to the Administrator at its request under the assignment contained herein shall have any responsibility to see to the application of any of such funds, and any party paying or delivering Proceeds or amounts to the Administrator under such assignment shall be released thereby from any and all liability to the Administrator and the Shipowner to the full extent and amount of all payments or Proceeds so delivered. Should the Administrator bring suit against any third party for collection of any amount or sums included within this Assignment (and the Administrator shall have the right to bring any such suit), it may sue either in its own name or in the name of the Shipowner, or both.

SECTION 2.03. Performance under Charters; No Duty of Inquiry. The Shipowner hereby undertakes that it shall punctually perform all of its obligations under all Contracts to which it is a party. It is hereby expressly agreed that, anything contained herein to the contrary notwithstanding, the Shipowner shall remain liable under all Contracts to perform the obligations assumed by it thereunder, and the Administrator shall have no obligation or liability of any nature whatsoever under any Contract by reason of, or arising out of, this Assignment, nor shall the Administrator be required to assume or be obligated in any manner to perform or fulfill any obligation of the Shipowner under or pursuant to any Contract. Nothing in this Assignment shall be deemed or construed to create a delegation to or assumption by the Administrator, of the duties and obligations of the Shipowner under any Contract. All of the parties to any Contract shall continue to look to the Shipowner for performance of all covenants and other obligations and the satisfaction of all representations and warranties of the Shipowner thereunder, notwithstanding the rights granted to the Administrator hereunder and the assignment herein made or the exercise by the Administrator of any such rights hereunder or under applicable law. The Administrator shall not be required to make any payment or make any inquiry as to the nature or sufficiency of any payment received by the Administrator, or, unless and until indemnified to its satisfaction, to present or file any claim, or to take any other action to collect or enforce the payment of any

amounts which may have been assigned to it or to which it may be entitled hereunder or pursuant hereto at any time or times.

SECTION 2.04. No Modification of Obligations. Nothing herein contained shall modify or otherwise alter the obligation of the Shipowner to make prompt payment of all Obligations, including principal and interest owing thereon, when and as the same become due regardless of whether the Second Vessel Earnings Collateral is sufficient to pay the same and the rights provided in accordance with the foregoing assignment provision shall be cumulative of all other security of any and every character now or hereafter existing to secure payment of the Obligations. Nothing in this Assignment is intended to be an acceptance of collateral in satisfaction of or in discharge of the Obligations.

SECTION 2.05. Affirmative Covenants. Until all of the Obligations have been fully and finally paid and the Agreement and the other Transactions Documents with respect to the Second Vessel have been terminated, the Shipowner hereby covenants and agrees with the Administrator to:

(a) promptly notify the Administrator in writing of the commencement and termination of any period during which the Second Vessel is requisitioned; and

(b) during the continuance of a Default, use its best efforts to cause any counterparty to any Contract to execute a Consent and Agreement to this Assignment in substantially the form attached hereto as Exhibit B and deliver such Consent and Agreement to the Administrator.

SECTION 2.06. Negative Pledge. The Shipowner does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Assignment shall remain in effect, any of its right, title or interest in the whole or any part of the Second Vessel Earnings Collateral hereby assigned to anyone other than the Administrator, and it will not take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the rights hereby assigned or any of the rights created in this Assignment.

SECTION 2.07. Attorney-in-Fact. The Administrator shall not be liable for any delay, neglect, or failure to effect collection of any Proceeds or to take any other action in connection therewith or hereunder; but the Administrator shall have the right, at its election, in the name of the Shipowner or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by the Administrator in order to collect such Proceeds and to protect the interests of the Administrator, and/or the Shipowner, with all costs, expenses and attorneys' fees incurred in connection therewith being paid by the Shipowner. The Shipowner does hereby irrevocably appoint and constitute the Administrator as the Shipowner's true and lawful attorney-in-fact with full power (in the name of the Shipowner or otherwise), to ask, require, demand, receive, compound, and give acquittance for any and all Proceeds, to endorse any checks or other instruments or orders in connection therewith, to file any claims or take any action or institute any proceedings which the Administrator may deem to be necessary or advisable in the premises, and to file, without the signature of the Shipowner, any and all financing statements or similar

documents, other instruments, documents or agreements or renewals thereof arising from this Assignment which the Administrator may deem to be reasonably necessary or advisable in order to perfect or maintain the security interest granted hereby; provided, however, the Administrator shall not take any action pursuant to the power granted by this Section unless a Default shall have occurred and be continuing. Such appointment of the Administrator as attorney-in-fact is irrevocable and is coupled with an interest. The parties agree that the grant of the power of attorney set forth in this Section shall not be deemed to create any obligation on the part of the Administrator to take any one or more of the actions described herein.

SECTION 2.08. Application of Proceeds. All Proceeds collected or received by the Administrator pursuant to this Assignment during the existence and continuance of a Default shall be applied as provided in Section 14.04 of Annex C of the Agreement and, in the absence of the existence and continuance of a Default, shall be paid by the Administrator to Shipowner promptly following receipt thereof.

SECTION 2.09. Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy given herein, in the Agreement and the other Transaction Documents to the Administrator shall be cumulative and shall be in addition to every other right, power and remedy of the Administrator now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Administrator, and the exercise or the commencement of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. Without limitation of the foregoing, during the continuation of a Default, the Administrator shall have the rights and remedies of a secured party under the UCC. No delay or omission by the Administrator in the exercise of any right or power in the pursuance of any remedy accruing upon any breach or default by the Shipowner shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Administrator of any security or of any payment of or on account of any of the amounts due from the Shipowner to the Administrator and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

SECTION 2.10. Invalidity. If any provision of this Assignment shall at any time for any reason be declared or decided to be invalid, void or otherwise inoperative by a court of competent jurisdiction, such declaration or decision shall not affect the validity of any other provision or provisions of this Assignment, or the validity of this Assignment as a whole. In the event that by reason of any law or regulation in force or to become in force, or by reason of a ruling of any court of competent jurisdiction, or by any other reason whatsoever, this Assignment is rendered either wholly or partly defective, the Shipowner shall furnish the Administrator with an alternative assignment or security and do all such other acts as are reasonably required in order to ensure and give effect to the full intent of this Assignment.

SECTION 2.11. Continued Security. It is declared and agreed that the security created by this Assignment shall be held by the Administrator as a continuing security for the payment

of all moneys which may at any time and from time to time be or become payable by the Shipowner in connection with the Obligations and that the security so created shall not be satisfied by any intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Administrator for all or any part of the moneys hereby secured.

SECTION 2.12. Termination. The Administrator shall terminate this Assignment and release the Second Vessel Earnings Collateral subject to the provisions of Article XVI of Annex C of the Agreement and the relevant provisions of this Assignment. Except as may be expressly applicable pursuant to Section 9-620 of the UCC, no action taken or omission to act by the Administrator shall be deemed to constitute a retention of the Second Vessel Earnings Collateral in satisfaction of the Obligations or otherwise to be in full satisfaction of the Obligations, and the Obligations shall remain in full force and effect, until the Administrator and the Holder(s) shall have applied payments (including, without limitation, collections from any Second Vessel Earnings Collateral) towards the Obligations in the full amount then outstanding or until such subsequent time as is provided in the Agreement. If this Assignment has terminated and any payment actually received by the Administrator is subsequently invalidated, rescinded, declared to be fraudulent or preferential or set aside and is required to be repaid under any bankruptcy or other similar law, then this Assignment shall be reinstated and its provisions will continue in effect for the benefit of the Administrator and the holder(s) of the Second Administrator's Note until such amounts are fully and finally paid in cash.

SECTION 2.13. Notices. Any notices or communications hereunder shall be made in accordance with Section 18.03 of Annex C of the Agreement.

SECTION 2.14. Waiver; Amendment. No amendment, modification, or waiver of any provision of this Assignment, and no consent with respect to any departure of the Shipowner therefrom, shall be effective unless the same is in writing executed by the Shipowner and the Administrator.

SECTION 2.15. Further Assurances. The Shipowner agrees that at any time and from time to time, upon the written request of the Administrator, the Shipowner will promptly and duly execute and deliver any and all such further instruments and documents as the Administrator may deem desirable in obtaining the full benefits of this Assignment (including, without limitation, in connection with the perfection of the security interest created hereby) and of the rights and powers herein granted.

SECTION 2.16. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the United States of America, including federal common law, and, absent applicable federal law, the laws of the Governing Law State, notwithstanding its conflict of laws rules.

(REMAINDER OF PAGE INTENTIONALLY BLANK)

(SIGNATURE PAGE ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the Shipowner has caused this Assignment to be executed as of the day and year first above written.

(SEAL)
Attest:

Matson Navigation Company, Inc.

By: _____
Name: Rachel C. Lee
Title: Assistant Secretary

By: _____
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer

EXHIBIT A

[RESERVED]

**EXHIBIT B
TO ASSIGNMENT OF EARNINGS**

CONSENT AND AGREEMENT

The undersigned, _____, a counterparty to a contract (“Contract”) with Matson Navigation Company, Inc. (“Shipowner”) to which the Notice of Assignment delivered pursuant to the foregoing Assignment refers (terms defined in the Assignment are used herein with the same meaning), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby acknowledges notice of and consents and agrees to the Assignment and to all of the terms thereof, and agrees that: (1) it will make payment directly to the account of the Administrator, at [_____], of all moneys due and to become due from it under the Contract until receipt of written notice from the Administrator that all obligations to it secured by said Assignment have been paid in full; and (2) any such payment shall be final and the undersigned will not seek to recover from the Administrator for any reason whatsoever any moneys paid by the undersigned to the Administrator by virtue of the foregoing Assignment and this Consent and Agreement but this shall not prevent the set off or credit against or deduction from any moneys payable to the Administrator by virtue of said Assignment of amounts owing to the undersigned by the Shipowner under the Contract.

The undersigned, as a counterparty to the Contract, confirms and agrees that the Contract is in full force and effect and is enforceable in accordance with its terms and the Shipowner is not in default thereunder.

This Consent and Agreement shall be governed by and construed in accordance with the laws of the Governing Law State.

Dated: _____, 20__

[NAME]

By: _____

Name: _____

Title: _____

(End of Annex I)

**ANNEX J
FORM OF ASSIGNMENT OF INSURANCES**

ASSIGNMENT OF INSURANCES

THIS ASSIGNMENT OF INSURANCES (this "**Assignment**") is made as of the Second Closing Date, by Matson Navigation Company, Inc., a Hawaii corporation (the "**Shipowner**"), to and in favor of THE UNITED STATES OF AMERICA (the "**United States**"), represented by the Maritime Administrator of the Maritime Administration (the "Administrator"), pursuant to Chapter 537 of Title 46 of the United States Code ("Chapter 537").

RECITALS:

A. The Shipowner and the Administrator are parties to the Consolidated Agreement, Contract No. MA-14454, dated as of April 27th, 2020, as amended by Amendment No. 1 thereto, dated as of the date hereof (as so amended, the "Agreement");

B. The Shipowner intends to issue the Second Administrator's Note in the Amount of the Second Note pursuant to the Agreement;

C. The Agreement requires the Shipowner to secure the payment of the Administrator's Notes by Liens on, among other things, the Second Vessel Collateral (as herein defined), including the Insurances (as herein defined); and

D. This Assignment sets forth the terms on which the Shipowner grants an assignment of, and a Lien on, the Second Vessel Collateral in favor of the Administrator as collateral security for the Obligations.

NOW, THEREFORE, in consideration of the premises herein and to induce the Administrator to issue the Guarantee and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS**

SECTION 1.01. Definitions. As used herein:

(a) Unless otherwise defined herein, capitalized terms used herein have the respective meanings set forth in the Agreement;

(b) Unless otherwise defined herein, with respect to Uniform Commercial Code ("**UCC**") terms, all other capitalized terms contained in this Assignment and not otherwise defined herein shall have, when the context so indicates, the meanings provided for by the UCC, as adopted in the UCC State, to the extent the same are used or defined therein; and

(c) Except as otherwise specified herein or as the context may otherwise require, the following terms have the respective meanings set forth below for all purposes of this Assignment:

“*Second Vessel Collateral*” has the meaning set forth in Section 2.01 of this Assignment.

“*Insurances*” has the meaning set forth in Section 2.01 of this Assignment.

“*Obligations*” means all of the obligations and liabilities of the Shipowner under the Agreement, the Second Administrator’s Note, the Mortgage and the other Transaction Documents and as collateral security for and with respect to the Guarantee whether now made or hereafter entered into.

“*Second Vessel*” means the KAIMANA HILA, Official Number 1274135.

ARTICLE II ASSIGNMENT

SECTION 2.01. Assignment. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, the Shipowner does hereby assign, transfer and convey to the Administrator, its successors and assigns, and does hereby grant to the Administrator, its successors and assigns, a first priority continuing security interest in, lien on, and right of setoff against, all policies and contracts of insurance, including, without limitation, the Shipowner’s rights under all entries in any protection and indemnity or war risks associations or clubs, which are from time to time taken out by or for the Shipowner in respect of the Second Vessel, its hull, machinery, freights, disbursements, profits or otherwise, and all the benefits thereof and all other rights of the Shipowner in respect thereof, including, without limitation, all claims of whatsoever nature, as well as return premiums (all of which are herein collectively called the “*Insurances*”), and in and to all moneys and claims for moneys in connection therewith and all proceeds and products of all of the foregoing, wherever located, whether now owned or at any time hereafter acquired by the Shipowner or in which the Shipowner now has or at any time in the future may acquire any right, title or interest (collectively, the “*Second Vessel Collateral*”).

In addition to the rights granted to the Administrator, the Shipowner hereby further transfers and assigns to the Administrator by way of security any and all such Liens, financing statements or similar interests of the Shipowner attributable to its interest in the Second Vessel Collateral arising under or created by any statutory provision, judicial decision or otherwise.

SECTION 2.02. Payments. During the continuance of a Default, the Administrator shall be entitled to receive all payments of Insurances in respect of the Second Vessel payable to the Shipowner and assigned hereby. The Shipowner shall cause all sums so payable to the Shipowner and assigned hereby to be paid directly to the Administrator to an account designated by the Administrator for such purpose. **THE SHIPOWNER AGREES TO INDEMNIFY AND HOLD HARMLESS ANY AND ALL PARTIES (INCLUDING FOR SUCH PERSONS’ OWN ORDINARY NEGLIGENCE) MAKING PAYMENTS TO THE ADMINISTRATOR UNDER THE ASSIGNMENT CONTAINED HEREIN, AGAINST ANY AND ALL**

LIABILITIES, ACTIONS, CLAIMS, JUDGMENTS, COSTS, CHARGES AND ATTORNEYS' FEES RESULTING FROM THE DELIVERY OF SUCH PAYMENTS TO THE ADMINISTRATOR, AND ALL SUCH AMOUNTS TOGETHER WITH SUCH INTEREST THEREON SHALL BE PART OF THE OBLIGATIONS. THE INDEMNITY AGREEMENT CONTAINED IN THE PREVIOUS SENTENCE IS MADE FOR THE DIRECT BENEFIT OF AND SHALL BE ENFORCEABLE BY ALL SUCH PERSONS. Should the Administrator bring suit against any third party for collection of any amount or sums included within this Assignment (and the Administrator shall have the right to bring any such suit), it may sue either in its own name or in the name of the Shipowner, or both.

SECTION 2.03. Performance under Insurances; No Duty of Inquiry. The Shipowner hereby undertakes that it shall punctually perform all of its obligations under all Insurances pertaining to the Second Vessel to which it is a party. It is hereby expressly agreed that, anything contained herein to the contrary notwithstanding, the Shipowner shall remain liable under all Insurances pertaining to the Second Vessel to perform the obligations assumed by it thereunder, and the Administrator shall have no obligation or liability of any nature whatsoever under any such Insurances (including, without limitation, any obligation or liability with respect to the payment of premiums, calls or assessments) by reason of, or arising out of, this Assignment, nor shall the Administrator be required to assume or be obligated in any manner to perform or fulfill any obligation of the Shipowner under or pursuant to any such Insurances. Nothing in this Assignment shall be deemed or construed to create a delegation to or assumption by the Administrator, of the duties and obligations of the Shipowner under any agreement or contract relating to the Second Vessel or the Insurances. All of the parties to any such Insurances or contracts shall continue to look to the Shipowner for performance of all covenants and other obligations and the satisfaction of all representations and warranties of the Shipowner thereunder, notwithstanding the rights granted to the Administrator hereunder or the exercise by the Administrator of any such rights hereunder or under applicable law. The Administrator shall not be required to make any payment or make any inquiry as to the nature or sufficiency of any payment received by the Administrator, or, unless and until indemnified to its satisfaction, to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder or pursuant hereto at any time or times.

SECTION 2.04. No Modification of Obligations. Nothing herein contained shall modify or otherwise alter the obligation of the Shipowner to make prompt payment of all Obligations, including principal and interest owing thereon, when and as the same become due regardless of whether the Second Vessel Collateral is sufficient to pay the same and the rights provided in accordance with the foregoing assignment provision shall be cumulative of all other security of any and every character now or hereafter existing to secure payment of the Obligations. Nothing in this Assignment is intended to be an acceptance of collateral in satisfaction of or in discharge of the Obligations.

SECTION 2.05. Affirmative Covenants. Until all of the Obligations have been fully and finally paid and the Agreement and the other Transaction Documents have been terminated, the Shipowner hereby covenants and agrees with the Administrator to:

(a) do, cause to be done or permit to be done each and every act or thing which the Administrator may from time to time reasonably require to be done for the purpose of enforcing the Administrator's rights under this Assignment and the Shipowner will allow its name to be used as and when required by the Administrator for that purpose; and

(b) forthwith give notice in the form attached to this Assignment as Exhibit D of this Assignment, or cause its insurance brokers to give notice, of this Assignment to all insurers, underwriters, clubs and associations providing insurance in connection with the Second Vessel and procure that such notice is endorsed on all the policies and entries of insurances in respect of the Second Vessel and are endorsed to provide that the Administrator shall be named in a manner such that it is afforded the stature of additional insured, as its interest may appear, and the Administrator shall be named loss payee.

SECTION 2.06. Negative Pledge. The Shipowner does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Assignment shall remain in effect, any of its right, title or interest in the whole or any part of the Second Vessel Collateral hereby assigned to anyone other than the Administrator, and it will not take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the rights hereby assigned or any of the rights created in this Assignment.

SECTION 2.07. Notices; Loss Payable Clauses.

(a) All Insurances, except entries in protection and indemnity associations or clubs or insurances effected in lieu of such entries, relating to the Second Vessel shall contain a loss payable and notice of cancellation clause in the form attached to this Assignment as Exhibit B or in such other form as the Administrator may agree; and

(b) All entries in protection and indemnity associations or clubs or insurances effected in lieu of such entries relating to the Second Vessel shall contain a loss payable and notice of cancellation clause in the form attached to this Assignment as Exhibit C or in such other form as the Administrator may agree.

SECTION 2.08. Attorney-in-Fact. The Administrator shall not be liable for any delay, neglect, or failure to effect collection of any proceeds or to take any other action in connection therewith or hereunder; but the Administrator shall have the right, at its election, in the name of the Shipowner or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by the Administrator in order to enforce this Assignment and to protect the interests of the Administrator and the holder(s) of the Second Administrator's Note, and/or the Shipowner, with all costs, expenses and attorneys' fees incurred in connection therewith being paid by the Shipowner. The Shipowner does hereby irrevocably appoint and constitute the Administrator as the Shipowner's true and lawful attorney-in-fact with full power (in the name of the Shipowner or otherwise), to ask, require, demand, receive, compound, and give acquittance for any and all moneys and claims for moneys assigned hereby, to endorse any checks or other instruments or orders in connection therewith, to file any claims or take any action or institute any proceedings which the Administrator may deem to be necessary or advisable in the premises, and to file, without the signature of the Shipowner, any and all financing statements or similar

documents, other instruments, documents or agreements or renewals thereof arising from this Assignment which the Administrator may deem to be reasonably necessary or advisable in order to perfect or maintain the security interest granted hereby; provided, however, the Administrator shall not take any action pursuant to the power granted by this Section 2.08 unless a Default shall have occurred and be continuing. Such appointment of the Administrator as attorney-in-fact is irrevocable and is coupled with an interest. Nothing contained in this Section 2.08 shall be deemed or considered as creating any obligation on the part of the Administrator to take any of the actions described herein.

SECTION 2.09. Application of Proceeds. All moneys collected or received by the Administrator pursuant to this Assignment during the existence and continuance of a default shall be applied as provided in Section 14.04 of Annex C of the Agreement and, in the absence of the existence and continuance of a Default, shall be paid by the Administrator to Shipowner promptly following receipt thereof.

SECTION 2.10. Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy given herein, in the Agreement and the other Transaction Documents to the Administrator shall be cumulative and shall be in addition to every other right, power and remedy of the Administrator now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed necessary by the Administrator, and the exercise or the commencement of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. Without limitation of the foregoing, during the continuation of a Default, the Administrator shall have the rights and remedies of a secured party under the UCC. No delay or omission by the Administrator in the exercise of any right or power in the pursuance of any remedy accruing upon any breach or default by the Shipowner shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Administrator of any security or of any payment of or on account of any of the amounts due from the Shipowner to the Administrator and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

SECTION 2.11. Invalidity. If any provision of this Assignment shall at any time for any reason be declared or decided to be invalid, void or otherwise inoperative by a court of competent jurisdiction, such declaration or decision shall not affect the validity of any other provision or provisions of this Assignment, or the validity of this Assignment as a whole. In the event that by reason of any law or regulation in force or to become in force, or by reason of a ruling of any court of competent jurisdiction, or by any other reason whatsoever, this Assignment is rendered either wholly or partly defective, the Shipowner shall furnish the Administrator with an alternative assignment or security and do all such other acts as are reasonably required in order to ensure and give effect to the full intent of this Assignment.

SECTION 2.12. Continued Security. It is declared and agreed that the security created by this Assignment shall be held by the Administrator as a continuing security for the payment of all

moneys which may at any time and from time to time be or become payable by the Shipowner in connection with the Obligations and that the security so created shall not be satisfied by any intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Administrator for all or any part of the moneys hereby secured.

SECTION 2.13. Termination. The Administrator shall terminate this Assignment and release the Second Vessel Collateral subject to the provisions of Article XVI of Annex C of the Agreement and the relevant provisions of this Assignment. Except as may be expressly applicable pursuant to Section 9-620 of the UCC, no action taken or omission to act by the Administrator shall be deemed to constitute a retention of the Second Vessel Collateral in satisfaction of the Obligations or otherwise to be in full satisfaction of the Obligations, and the Obligations shall remain in full force and effect, until the Administrator and the Holder(s) shall have applied payments (including, without limitation, collections from Second Vessel Collateral) towards the Obligations in the full amount then outstanding or until such subsequent time as is provided in the Agreement. If this Assignment has terminated and any payment actually received by the Administrator is subsequently invalidated, rescinded, declared to be fraudulent or preferential or set aside and is required to be repaid under any bankruptcy or other similar law, then this Assignment shall be reinstated and its provisions will continue in effect for the benefit of the Administrator until such amounts are fully and finally paid in cash.

SECTION 2.14. Notices. Any notices or communications hereunder shall be made in accordance with Section 18.03 of Annex C of the Agreement.

SECTION 2.15. Waiver; Amendment. No amendment, modification, or waiver of any provision of this Assignment, and no consent with respect to any departure of the Shipowner therefrom, shall be effective unless the same is in writing executed by the Shipowner and the Administrator.

SECTION 2.16. Further Assurances. The Shipowner agrees that at any time and from time to time, upon the written request of the Administrator, the Shipowner will promptly and duly execute and deliver any and all such further instruments and documents as the Administrator may deem desirable in obtaining the full benefits of this Assignment (including, without limitation, in connection with the perfection of the security interest created hereby) and of the rights and powers herein granted.

SECTION 2.17. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the United States of America, including federal common law, and, absent applicable federal law, the laws of the Governing Law State, notwithstanding its conflict of laws rules.

(SIGNATURE PAGE ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the Shipowner has caused this Assignment to be executed as of the day and year set forth above.

(SEAL)
Attest:

Matson Navigation Company, Inc.

By: _____
Name: Rachel C. Lee
Title: Assistant Secretary

By: _____
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer

**EXHIBIT A
TO ASSIGNMENT OF INSURANCE**

SECOND VESSEL

[Reserved]

**EXHIBIT B
TO ASSIGNMENT OF INSURANCES**

LOSS PAYABLE CLAUSE

Hull and Machinery (War Risks)

For any loss in excess of \$2,500,000, underwriters shall make all payments hereunder directly to THE UNITED STATES OF AMERICA, represented by the Maritime Administrator of the Maritime Administration (the "***Administrator***") pursuant to its instructions. Notwithstanding the preceding sentence, unless otherwise required by the Administrator by notice to the underwriters stating that a default is continuing, although losses hereunder are payable to the Administrator, any loss (other than an actual or constructive total loss) with respect to a Vessel involving any damage to a Vessel, may be paid directly for the repair, salvage or other charges involved or, if Matson Navigation Company, Inc. (the "***Shipowner***") shall have first fully repaired the damage or paid all of the salvage or other charges, may pay Shipowner as reimbursement therefor; provided, however, that if such damage involves a loss in excess of \$2,500,000, the underwriters shall not make such payment without first obtaining the written consent thereto of the Administrator.

In the event of the actual total loss or agreed, compromised or constructive total loss of a Vessel, payment shall be made to the Administrator, for deposit into an account designated for such purpose by the Administrator.

The Administrator shall be advised:

1. at least 10 days before cancellation of this insurance may take effect;
2. of any failure to renew any such insurance at least 10 days prior to the date of renewal thereof;
3. of any act or omission or of any event of which the insurer has knowledge and which might invalidate or render unenforceable in whole or in part any such insurance; and
4. of any default in the payment of any premium with respect to, or the material alteration of, any such insurances.

**EXHIBIT C
TO ASSIGNMENT OF INSURANCES**

LOSS PAYABLE CLAUSE

Protection and Indemnity

Payment of any recovery in excess of \$2,500,000 that Matson Navigation Company, Inc. (the “***Shipowner***”) is entitled to make out of the funds of the Insurer in respect of any liability, costs or expenses incurred by it shall be made to THE UNITED STATES OF AMERICA, represented by the Maritime Administrator of the Maritime Administration (the “***Administrator***”), and all recoveries shall thereafter be paid directly to the Administrator. Notwithstanding the preceding sentence, unless otherwise required by the Administrator by notice to the underwriters stating that a default is continuing, although losses hereunder are payable to the Administrator, any loss under any insurance on a Vessel with respect to protection and indemnity risks may be paid directly to Shipowner to reimburse it for any loss, damage or expense incurred by it and covered by such insurance or to the person to whom any liability covered by such insurance has been incurred; provided, however, that if any such payment is in excess of \$2,500,000, the underwriters shall not make such payment without first obtaining the written consent thereto of the Administrator.

The Administrator shall be advised:

1. at least 10 days before cancellation of this insurance may take effect;
2. of any failure to renew any such insurance at least 10 days prior to the date of renewal thereof;
3. of any act or omission or of any event of which the insurer has knowledge and which might invalidate or render unenforceable in whole or in part any such insurance; and
4. of any default in the payment of any premium with respect to, or the material alteration of, any such insurances.

EXHIBIT D
TO ASSIGNMENT OF INSURANCES
NOTICE OF ASSIGNMENT OF INSURANCES

TO:

TAKE NOTICE:

1. that by an Assignment of Insurances (the "***Assignment***") dated April 27, 2020 ("***Effective Date***") made by us to THE UNITED STATES OF AMERICA, represented by the Maritime Administrator of the Maritime Administration (the "***Administrator***"), a copy of which is attached hereto, we have collaterally assigned to the Administrator as of the Effective Date, *inter alia*, all our right, title and interest in, to and under all policies and contracts of insurance, including our rights under all entries in any protection and indemnity or war risk association or club, which are from time to time taken out by us in respect of the US flag Vessel the KAIMANA HILA, Official Number 1274135 (the "***Vessel***"), and all the benefits and earnings of such insurances thereof including all claims of whatsoever nature (all of which together are hereinafter called the "***Insurances***").

2. that you are hereby irrevocably authorized and instructed to pay as from the Effective Date hereof all payments under all Insurances, except entries in protection and indemnity associations or clubs or insurances effected in lieu of such entries, relating to the Vessel in accordance with the loss payable clause in Exhibit B of the Assignment of Insurances.

3. all entries in protection and indemnity associations or clubs or insurances affected in lieu of such entries relating to the Vessel in accordance with the loss payable clause in Exhibit C of the Assignment of Insurances.

4. that you are hereby instructed to endorse the Assignment, notice of which is given to you herein, on all policies or entries relating to the Vessel.

DATED AS OF THE __ day of _____, 20__.

(SIGNATURE PAGE ON FOLLOWING PAGE)

Matson Navigation Company, Inc.

By: _____
Name: _____
Title: _____

We hereby acknowledge receipt of the foregoing Notice of Assignment and agree to act in accordance with the terms thereof:

By: _____
Name: _____
Title: _____

[END OF ANNEX J]

ANNEX K
FORM OF AMENDMENT NO. 1 TO AFFILIATE GUARANTY

AMENDMENT NO. 1 TO AFFILIATE GUARANTY

THIS AMENDMENT NO. 1 (the "**Amendment**"), dated as of the Second Closing Date, to AFFILIATE GUARANTY, dated as of April 27th, 2020 (the "**Affiliate Guaranty**"), is made by and between MATSON, INC., a Hawaii corporation (the "**Affiliate Guarantor**") and consented to by THE UNITED STATES OF AMERICA, represented by the Maritime Administrator of the Maritime Administration (the "**Administrator**").

RECITALS:

A. Matson Navigation Company, Inc., a Hawaii corporation (the "**Shipowner**") and the Administrator are parties to Amendment No. 1, dated as of the date hereof, to the Consolidated Agreement, Contract No. MA-14454, dated as of April 27, 2020 (as so amended, the "**Agreement**") and the other Transaction Documents;

B. The Shipowner, in connection with the financing of the Second Vessel, on the date hereof, borrowed certain funds and created and authorized the issuance of the Second Vessel Note issued pursuant to the Second Vessel Note Purchase Agreement and the Administrator issued the Guarantee of the Second Vessel Note.

C. The Shipowner has, in consideration of the issuance of the Guarantee on the Second Vessel Note, issued and delivered, the Second Administrator's Note to the Administrator.

D. The Affiliate Guarantor is directly and materially interested in the financial success of the Shipowner, and maintains significant business relationships with the Shipowner, and the Affiliate Guaranty as amended hereby may be expected to benefit, directly or indirectly, the Affiliate Guarantor.

E. The Administrator has required this Amendment to the Affiliate Guaranty from the Affiliate Guarantor as an integral part of the consideration offered by or on behalf of the Shipowner as a condition of the Administrator's decision to enter into the Agreement and to issue the Guarantee on the Second Vessel Note, and the Affiliate Guarantor has entered into this Amendment for the purpose of guaranteeing the Shipowner's obligations to the Administrator under the Agreement with respect to the Second Administrator's Note, and the Assignment of Construction Contract, Assignment of Earnings, Assignment of Insurances, and Mortgage, all relating to the Second Vessel (each of which are hereafter included in the definition of "**Matson Guaranteed Document**" and the "**Matson Guaranteed Documents**"), as defined in the Affiliate Guaranty).

Now, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Affiliate Guarantor hereby agrees as follows:

1. Amendment. The Affiliate Guaranty is amended by amending the term “Matson Guaranteed Documents” as set forth in Recital E. of the Affiliate Guaranty to include the Second Administrator’s Note, and the related Assignment of Construction Contract, Assignment of Earnings, Assignment of Insurances, and Mortgage, each of which relates to the Second Vessel.

2. Ratification. The Affiliate Guarantor hereby confirms its obligations under the Affiliate Guaranty, as amended hereby, and that the Affiliate Guaranty as amended hereby continues in full force and effect.

3. Miscellaneous.

(a) This Amendment may be executed in one or more counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

(b) Unless otherwise specifically defined herein, the capitalized terms used herein are defined in the Agreement and any reference therein to other instruments shall have the respective meaning stated in the Agreement or such other instruments.

(c) This Amendment is executed as and shall constitute an instrument supplemental to and amending and shall be construed with and as part of the Affiliate Guaranty.

IN WITNESS WHEREOF, this Amendment has been executed on the day and year first above written.

(SEAL)
Attest:

AFFILIATE GUARANTOR

By: _____
Name: Rachel C. Lee
Title: Corporate Secretary

By: _____
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer



Consented to by:

Maritime Administrator

By: _____
Secretary,
Maritime Administration

NOTE PURCHASE AGREEMENT made as of June 22, 2020, by and among the **FEDERAL FINANCING BANK** (“**FFB**”), a body corporate and instrumentality of the United States of America, Matson Navigation Company, Inc. (“**Borrower**”), a corporation organized and existing under the laws of the State of Hawaii, and the **MARITIME ADMINISTRATOR, MARITIME ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION** (“**Administrator**”).

WHEREAS, the Administrator is authorized, pursuant to the Guarantee Act (as hereinafter defined), to guarantee loans that meet the requirements of the Guarantee Act; and

WHEREAS, FFB is authorized, under section 6(a) of the FFB Act (as hereinafter defined), to make commitments to purchase, and to purchase on terms and conditions determined by FFB, any obligation that is issued, sold, or guaranteed by an agency of the United States of America; and

WHEREAS, pursuant to the FFB Act, FFB has entered into the Program Financing Agreement (as hereinafter defined) with the Administrator setting forth the commitment of FFB to enter into agreements to purchase Notes issued by entities designated by the Administrator when those Notes have been guaranteed by the Administrator, and the commitment of the Administrator to guarantee those Notes; and

WHEREAS, pursuant to the Program Financing Agreement, the Administrator has delivered to FFB and the Borrower a Designation Notice (as hereinafter defined) designating the Borrower to be a “Borrower” for purposes of the Program Financing Agreement; and

WHEREAS, FFB is entering into this Note Purchase Agreement, as authorized by section 6(a) of the FFB Act and in fulfillment of its commitment under the Program Financing Agreement, setting out, among other things, FFB’s agreement to purchase, pursuant to the FFB Act, the Note (as hereinafter defined) to be issued by the Borrower, when the terms and conditions specified herein have been satisfied, as hereinafter provided.

NOW, THEREFORE, for and in consideration of the mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FFB, the Administrator, and the Borrower agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1 Definitions.

As used in this Agreement, the following terms shall have the respective meanings specified in this section 1.1, unless the context clearly requires otherwise.

“Administrator’s Certificate” shall mean a certificate relating to the Administrator’s Guarantee and other matters, in the form of certificate that is attached as Exhibit F to this Agreement.

“Administrator’s Guarantee” shall mean a guarantee of the Note issued by the Administrator, in the form of guarantee that is attached as Exhibit G to this Agreement.

“Administrator’s Instruments” shall have the meaning specified in section 3.3.1 this Agreement.

“Advance” shall mean an advance of funds made by FFB under the Note in accordance with the provisions of article 7 of this Agreement.

“Advance Identifier” shall mean, for each Advance, the particular sequence of letters and numbers constituting the Note Identifier plus the particular sequence of additional numbers assigned by FFB to the respective Advance in the interest rate confirmation notice relating to such Advance delivered by FFB in accordance with section 7.8 of this Agreement.

“Advance Request” shall mean a letter from a Borrower requesting an Advance under a Note, in the form of letter attached as Exhibit A to this Agreement.

“Advance Request Approval Notice” shall mean the written notice from the Agency located at the end of an Advance Request advising FFB that such Advance Request has been approved on behalf of the Administrator.

“Agency” shall mean the Maritime Administration, an agency of the U.S. Department of Transportation.

“Borrower Instruments” shall have the meaning specified in section 3.2.1 of this Agreement.

“Borrower State” shall mean the particular state specified in Schedule I to this Agreement as being the “Borrower State”.

“Business Day” shall mean any day on which FFB and the Federal Reserve Bank of New York are both open for business.

“Certificate Specifying Authorized Borrower Officials/Incumbency” shall mean a certificate of the Borrower specifying the names and titles of those officials of the Borrower who are authorized to execute and deliver from time to time Advance Requests on behalf of the Borrower, and containing the original signature of each of those officials, substantially in the form of the Certificate Specifying Authorized Borrower Officials/Incumbency attached as Exhibit B to this Agreement.

“Certificate Specifying Authorized Agency Officials/Incumbency” shall mean a certificate specifying the names and titles of those officials of the Agency who are authorized to execute and deliver Advance Request Approval Notices from time to time on behalf of the Administrator and setting out the original signature of each of those authorized officials, and specifying the name and title of those officials of the Agency who are authorized to confirm telephonically the authenticity of the Advance Request Approval Notices from time to time on behalf of the Administrator and setting out the telephone number of each of those authorized officials, in the form of the Certificate Specifying Authorized Agency Officials/Incumbency attached as Annex 1 to the Program Financing Agreement.

“Designation Notice” shall mean, generally, a notice from the Administrator to FFB and the particular entity identified therein as the respective “Borrower,” designating that entity to be a “Borrower” for purposes of the Program Financing Agreement, in the form of notice that is attached as Annex 2 to the Program Financing Agreement; and “*the Designation Notice*” shall mean the particular Designation Notice delivered by the Administrator to FFB and the Borrower designating the Borrower to be a “Borrower” for purposes of the Program Financing Agreement.

“Equal Principal Payments Method” shall have the meaning specified in section 10.3 of this Agreement.

“FFB Act” shall mean the Federal Financing Bank Act of 1973 (Pub. L. No. 93-224, 87 Stat. 937, codified at 12 U.S.C. § 2281 et seq.), as amended.

“FFB Financing Options Fee” shall mean the fee, expressed in terms of a basis point increment in the basic interest rate established for an Advance, payable by the Borrower to the Holder if the Borrower elects to have the Par Prepayment/Refinancing Privilege apply to such Advance, as described in section 12.3 of this Agreement.

“5-Year No-Call Period” shall mean a 5-year period during which an advance shall not be eligible for any elective prepayment.

“10-Year No-Call Period” shall mean a 10 year period during which an advance shall not be eligible for any elective prepayment.

“Governmental Approval” shall mean any approval, consent, authorization, license, permit, order, certificate, qualification, waiver, exemption, or variance, or any other action of a similar nature, of or by a Governmental Authority having jurisdiction over the Borrower or any of its properties.

“Governmental Authority” shall mean any federal, state, county, municipal, regional, or foreign authority, or any other entity of a similar nature, exercising any executive, legislative, judicial, regulatory, or administrative function of government.

“Governmental Judgment” shall mean any judgment, order, decision, or decree, or any action of a similar nature, of or by a Governmental Authority having jurisdiction over the Borrower or any of its properties.

“Governmental Registration” shall mean any registration, filing, declaration, or notice, or any other action of a similar nature, with or to a Governmental Authority having jurisdiction over the Borrower or any of its properties.

“Governmental Rule” shall mean any statute, law, rule, regulation, code, or ordinance of a Governmental Authority having jurisdiction over the Borrower or any of its properties.

“Guarantee Act” shall mean Chapter 537 of Title 46 of the United States Code.

“Guarantee Agreement” shall mean the particular agreement specified in Schedule I to this Agreement as being the “Guarantee Agreement”.

“Holder” shall mean FFB, for so long as it shall be the holder of the Note, and any successor or assignee of FFB, for so long as such successor or assignee shall be the holder of the Note.

“Initial Advance” shall mean the first Advance made under the Note.

“Initial Advance Request” shall mean the first Advance Request submitted by the Borrower under the Note.

“Level Debt Service Payments Method” shall have the meaning specified in section 10.2 of this Agreement.

“Loan Commitment Amount” shall mean the particular amount specified in Schedule I to this Agreement as being the “Loan Commitment Amount”.

“Market Value Premium (or Discount)” shall have the meaning specified in section 12.2 of this Agreement.

“Market Value Prepayment/Refinancing Privilege” shall have the meaning specified in section 12.2 of this Agreement.

“Material Adverse Effect on the Borrower” shall mean any material adverse effect on the financial condition, operations, business or prospects of the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any of the other Borrower Instruments.

“No-Call Period” shall mean either a 5-Year No-Call Period or a 10-Year No-Call Period.

“Note” shall mean a future advance promissory Note payable to FFB, in the form of Note that is attached as Exhibit C to this Agreement, as such Note may be amended, supplemented, and restated from time to time in accordance with its terms.

“Note Identifier” shall mean the particular sequence of letters and numbers assigned by FFB to the Note in the Principal Instruments acceptance notice relating to the Note delivered by FFB in accordance with section 5.1 of this Agreement.

“Opinion of Borrower’s Counsel re: Borrower Instruments” shall mean an opinion of counsel from counsel to the Borrower, substantially in the form of opinion that is attached as Exhibit D to this Agreement.

“Opinion of Administrator’s Counsel re: Administrator’s Guarantee” shall mean an opinion of counsel from counsel to the Administrator, substantially in the form of opinion that is attached as Exhibit E to this Agreement.

“Other Debt Obligation” shall mean any bond or note, or any other evidence of an obligation for borrowed money of a similar nature, made or issued by the Borrower (other than the Note purchased by FFB under this Agreement), or any mortgage, indenture, deed of trust or loan agreement with respect thereto to which the Borrower is a party or by which the Borrower or any of its properties is bound (other than this Agreement).

“Par Prepayment/Refinancing Privilege” shall have the meaning specified in section 12.3 of this Agreement.

“Person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, trust company, unincorporated organization, limited liability company or Governmental Authority.

“Principal Instruments” shall have the meaning specified in section 4.2 of this Agreement.

“Program Financing Commitment Amount” shall have the meaning specified in section 1.1 of the Program Financing Agreement.

“Program Financing Agreement” shall mean the Program Financing Agreement dated as of January 19, 2017, between FFB and the Administrator, as such agreement may be amended, supplemented, and restated from time to time in accordance with its terms.

“Project State” shall mean the particular state specified in Schedule I to this Agreement as being the “Project State”.

“Requested Advance Amount” shall have the meaning specified in section 7.3.1(a)(2) of this Agreement.

“Requested Advance Date” shall have the meaning specified in section 7.3.1(a)(3) of this Agreement.

“Security Instruments” shall mean the particular instruments and agreements specified in Schedule I to this Agreement as being the “Security Instruments”.

“this Agreement” shall mean this Note Purchase Agreement between FFB, the Administrator, and the Borrower.

“Uncontrollable Cause” shall mean an unforeseeable cause beyond the control and without the fault of FFB, being: act of God, fire, flood, severe weather, epidemic, quarantine restriction, explosion, sabotage, act of war, act of terrorism, riot, civil commotion, lapse of the statutory authority of the United States Department of the Treasury to raise cash through the issuance of Treasury debt instruments, disruption or failure of the Treasury Financial Communications System, closure of the Federal Government, or an unforeseen or unscheduled closure or evacuation of the FFB offices.

Section 1.2 Rules of Interpretation.

Unless the context shall otherwise indicate, the terms defined in section 1.1 of this Agreement shall include the plural as well as the singular and the singular as well as the plural. The words “herein,” “hereof,” and “hereto,” and words of similar import, refer to this Agreement as a whole.

ARTICLE 2**FFB COMMITMENT TO PURCHASE THE NOTE**

Subject to the terms and conditions of this Agreement, FFB agrees to purchase the Note that is offered by the Borrower to FFB for purchase under this Agreement.

ARTICLE 3**COMMITMENT CONDITIONS**

FFB shall be under no obligation to purchase the Note under this Agreement unless and until each of the conditions specified in this Article 3 has been satisfied.

Section 3.1 Commitment Amount Limits.

3.1.1 Loan Commitment Amount. The maximum principal amount of the Note that is offered for purchase shall not exceed the Loan Commitment Amount.

3.1.2 Program Financing Commitment Amount. At the time that the Note is offered to FFB for purchase under this Agreement, the maximum principal amount of the Note, when added to the aggregate maximum principal amount of all other Notes that have been issued by entities that have been designated by the Administrator in Designation Notices to be “Borrowers” for purposes of the Program Financing Agreement and which Notes have been guaranteed by the Administrator pursuant to the Guarantee Act, shall not exceed the Program Financing Commitment Amount.

Section 3.2 Borrower Instruments.

3.2.1 Borrower Instruments. FFB shall have received the following instruments in accordance with section 4.1 (such instruments being, collectively, the “Borrower Instruments”):

(a) an original counterpart of this Agreement, duly executed by the Borrower; and

(b) the original Note, with all of the blanks on page 1 of the Note filled in with information consistent with the information set out in the Designation Notice, and duly executed by the Borrower.

3.2.2 Opinion of Borrower's Counsel re: Borrower Instruments. FFB shall have received from the Borrower an Opinion of Borrower's Counsel re: Borrower Instruments.

3.2.3 Certificate Specifying Authorized Borrower Officials/Incumbency. FFB shall have received from the Borrower a completed and signed Certificate Specifying Authorized Borrower Officials/Incumbency.

Section 3.3 Administrator's Instruments.

3.3.1 Administrator's Instruments. FFB shall have received from the Administrator the following instruments (such instruments being, collectively, the "Administrator's Instruments"):

(a) an original counterpart of this Agreement, duly executed by or on behalf of the Administrator;

(b) the original Administrator's Guarantee relating to the Note, duly executed by or on behalf of the Administrator; and

(c) an original Administrator's Certificate relating to the Administrator's Guarantee and other matters, duly executed by or on behalf of the Administrator.

3.3.2 Opinion of Administrator's Counsel re: Administrator's Guarantee. FFB shall have received an Opinion of Administrator's Counsel re: Administrator's Guarantee.

Section 3.4 Conditions Specified in Other Agreements.

Each of the conditions specified in the Program Financing Agreement as being conditions to purchasing the Note shall have been met to the satisfaction of the FFB and the Administrator.

ARTICLE 4**OFFER OF THE NOTE FOR PURCHASE**

The Note that is to be offered to FFB for purchase under this Agreement shall be offered in accordance with the procedures described in this article 4.

Section 4.1 Delivery of Borrower Instruments to the Administrator.

The Borrower shall deliver to the Administrator, for redelivery to FFB, the following:

- (a) all of the Borrower Instruments, each duly executed by the Borrower;
- (b) an Opinion of Borrower's Counsel re: Borrower Instruments; and
- (c) a completed and signed Certificate Specifying Authorized Borrower Officials/Incumbency.

Section 4.2 Delivery of Principal Instruments by the Administrator to FFB.

The Administrator shall deliver to FFB all of the following instruments (collectively being the "Principal Instruments"):

- (a) all of the instruments described in section 4.1;
- (b) all of the Administrator's Instruments, each duly executed by the Administrator; and
- (c) an Opinion of Administrator's Counsel re: Administrator's Guarantee.

ARTICLE 5**PURCHASE OF THE NOTE BY FFB****Section 5.1 Acceptance or Rejection of Principal Instruments.**

Within five Business Days after delivery to FFB of the Principal Instruments relating to the Note that is offered for purchase under this Agreement, FFB shall deliver by facsimile transmission (fax) or email to the Agency one of the following:

(a) an acceptance notice, which notice shall:

(1) state that the Principal Instruments meet the terms and conditions detailed in article 3 of this Agreement, or are otherwise acceptable to FFB; and

(2) assign a Note Identifier to such Note for use by the Borrower and the Agency in all communications to FFB making reference to such Note; or

(b) a rejection notice, which notice shall state that one or more of the Principal Instruments does not meet the terms and conditions of this Agreement and specify how such instrument or instruments does not meet the terms and conditions of this Agreement.

Section 5.2 Timing of Delivery of Borrower's Initial Advance Request.

5.2.1 After Receipt of Principal Instruments Acceptance Notice. The Administrator shall not deliver to FFB the Initial Advance Request and the Advance Request Approval Notice relating to the Initial Advance Request before the Agency has received from FFB the acceptance notice described in section 5.1.(a) of this Agreement.

5.2.2 Limitation on Requested Advance Date for Initial Advance. As prescribed in section 7.4.2 of this Agreement, the Requested Advance Date specified in the Initial Advance Request delivered under article 7 of this Agreement shall not be earlier than the fifth Business Day to occur after the date on which FFB shall have received the Principal Instruments under article 4 of this Agreement.

Section 5.3 Purchase.

FFB shall not be deemed to have accepted the Note offered for purchase under this Agreement until such time as FFB shall have delivered an acceptance notice accepting the Principal Instruments relating to the Note; provided, however, that in the event that FFB shall make an Advance under the Note, then FFB shall be deemed to have accepted the Note offered for purchase.

ARTICLE 6

CUSTODY OF NOTE; LOSS OF NOTE, ETC.

Section 6.1 Custody.

FFB shall have custody of the Note purchased under this Agreement until all amounts owed under the Note have been paid in full.

Section 6.2 Lost, Stolen, Destroyed, or Mutilated Note.

In the event that the Note purchased under this Agreement shall become lost, stolen, destroyed, or mutilated, the Borrower shall, upon the written request of FFB to the Borrower, with a copy to the Administrator, execute and deliver, in replacement thereof, a new Note of like tenor, dated and bearing interest from the date to which interest has been paid on such lost, stolen, destroyed, or mutilated Note or, if no interest has been paid thereon, dated the same date as such lost, stolen, destroyed, or mutilated Note. Upon delivery of such replacement Note, the Borrower shall be released and discharged from any further liability on account of the lost, stolen, or destroyed Note. If the Note being replaced has been mutilated, such mutilated Note shall be surrendered to the Borrower for cancellation. The Administrator shall deliver to FFB a written confirmation that the Administrator's Guarantee related to the lost, stole, destroyed, or mutilated Note remains in full force and effect with respect to the replacement Note.

ARTICLE 7**ADVANCES****Section 7.1 Commitment.**

Subject to the terms and conditions of this Agreement, FFB agrees to make Advances under the Note for the account of the Borrower.

Section 7.2 Treasury Policies Applicable to Advances.

Each of the Borrower and the Administrator understands and consents to the following Treasury financial management policies generally applicable to all advances of funds:

(a) each Advance will be requested by the Borrower, and each Advance Request will be approved by the Administrator, only at such time and in such amount as shall be necessary to meet the immediate payment or disbursing need of the Borrower;

(b) except for Advances to reimburse the Borrower for expenditures that it has made from its own working capital, each Advance will be requested to be disbursed directly to the Person(s) to whom the Borrower is obligated to make payments;

(c) Advances for investment purposes will not be requested by the Borrower or approved by the Administrator; and

(d) all interest earned on any lawful and permitted investment of Advances in excess of the interest accrued on such Advances will be remitted to FFB.

Section 7.3 Conditions to Making All Advances.

FFB shall be under no obligation to make any Advance under the Note unless and until each of the conditions specified in this section 7.3 is satisfied.

7.3.1 Advance Requests. For each Advance, the Borrower shall have delivered to the Administrator, for review and approval before being forwarded to FFB, an Advance Request, which Advance Request:

(a) shall specify, among other things:

(1) the particular “Note Identifier” that FFB assigned to this Note (as provided in section 5.1 of this Agreement);

(2) the particular amount of funds that the Borrower requests to be advanced (such amount being the “Requested Advance Amount” for the respective Advance);

(3) the particular calendar date that the Borrower requests to be the date on which the respective Advance is to be made (such date being the “Requested Advance Date” for such Advance), which date:

(A) must be a Business Day; and

(B) shall not be earlier than the third Business Day to occur after the date on which FFB shall have received the respective Advance Request;

(4) the particular bank account to which the Borrower requests that the respective Advance be made;

(5) the particular principal repayment method that the Borrower elects to apply to the respective Advance (i.e., either the Level Debt Service Payments Method described in section 10.2 of this Agreement or the Equal Principal Payments Method described in section 10.3 of this Agreement); and

(6) the particular prepayment/refinancing privilege that the Borrower elects to apply to the respective Advance (i.e., either the Market Value Prepayment/Refinancing Privilege described in section 12.2 of this Agreement or the Par Prepayment/Refinancing Privilege described in section 12.3 of this Agreement); and

(b) shall have been duly executed by an official of the Borrower whose name and signature appear on the Certificate Specifying Authorized Borrower Officials/Incumbency delivered by the Borrower to FFB pursuant to sections 3.2.3, 4.1(c), and 4.2(a), or pursuant to section 13.4, of this Agreement; and

(c) shall have been received by FFB not later than the third Business Day before the Requested Advance Date specified in such Advance Request.

7.3.2 Advance Request Approval Notice. For each Advance, the Administrator shall have delivered to FFB the Borrower's executed Advance Request, together with the Agency's executed Advance Request Approval Notice, which Advance Request Approval Notice:

(a) shall have been duly executed on behalf of the Administrator by an official of the Agency whose name and signature appear on the Certificate Specifying Authorized Agency Officials/Incumbency delivered to FFB pursuant to section 3.1.3 or section 6.1 of the Program Financing Agreement; and

(b) shall have been received by FFB not later than the third Business Day before the Requested Advance Date specified in such Advance Request.

7.3.3 Telephonic Confirmation of Authenticity of Advance Request Approval Notices. For each Advance, FFB shall have obtained telephonic confirmation of the authenticity of the related Advance Request Approval Notice from an official of the Agency (a) whose name, title, and telephone number appear on the Certificate Specifying Authorized Agency Officials/Incumbency that has been delivered by the Administrator to FFB pursuant to section 3.1.3 or section 6.1 of the Program Financing Agreement; and (b) who is not the same official of the Agency who executed the Advance Request Approval Notice on behalf of the Administrator.

7.3.4 Note Maximum Principal Amount Limit. At the time of making any Advance under the Note, the amount of such Advance, when added to the aggregate amount of all Advances previously made under the Note, shall not cause the resulting sum to exceed the maximum principal amount of the Note.

7.3.5 Conditions Specified in Other Agreements. Each of the conditions specified in the Program Financing Agreement as being conditions to making Advances under the Note, shall have been met to the satisfaction of the FFB and the Administrator.

7.3.6 No Prohibition Against Funding by FFB. At the time of making any Advance under the Note, there shall be no Governmental Rule or Governmental Judgment that prohibits FFB from distributing funds provided for in such Advance.

7.3.7. Notification of Stop Notices. Promptly upon the Borrower obtaining knowledge of any action taken against FFB by any contractor, subcontractor, material supplier, or laborer working on any construction project financed in whole or in part with any Advance or Advances made under the Note, including, without limitation, any mechanics lien, bonded stop notice, or similar contractor mechanism under applicable law (a "Stop Notice"), the Borrower shall (1) provide notice thereof to FFB and the Agency and (2) certify that it has used or is using commercially reasonable efforts to fully resolve, have the FFB dismissed from, or obtain a bond for the release of any Stop Notice.

Section 7.4 Conditions to Making the Initial Advance.

FFB shall be under no obligation to make the Initial Advance under the Note unless and until each of the conditions specified in this section 7.4 is satisfied.

7.4.1 Conditions Specified in Section 7.3. Each of the conditions applicable to all Advances specified in section 7.3 of this Agreement is satisfied.

7.4.2 Timing of Delivery of Initial Advance Request. The Initial Advance Request, together with the related Advance Request Approval Notice, shall have been received by FFB:

(a) not earlier than the fifth Business Day to occur after the date on which FFB shall have received the Principal Instruments; and

(b) not later than the third Business Day to occur before the date specified in the Initial Advance Request as Requested Advance Date for the Initial Advance.

Section 7.5 Amount and Timing of Advances.

FFB shall make each Advance in the Requested Advance Amount specified in the respective Advance Request and on the Requested Advance Date specified in the respective Advance Request, subject to satisfaction of the conditions specified in section 7.3 of this Agreement and subject to the following additional limitations:

(a) in the event that the Requested Advance Date specified in the respective Advance Request is not a Business Day, FFB shall make the respective Advance on the first day thereafter that is a Business Day;

(b) in the event that FFB receives the respective Advance Request and the related Advance Request Approval Notice later than the third Business Day before the Requested Advance Date specified in such Advance Request, FFB shall make the respective Advance as soon as practicable thereafter, but in any event not later than the third Business Day after FFB receives such Advance Request, unless the Borrower delivers to FFB and the

Administrator a written cancellation of such Advance Request or a replacement Advance Request specifying a later Requested Advance Date;

(c) in the event that an Uncontrollable Cause prevents FFB from making the respective Advance on the Requested Advance Date specified in the respective Advance Request, FFB shall make such Advance as soon as such Uncontrollable Cause ceases to prevent FFB from making such Advance, unless the Borrower delivers to FFB and the Administrator a written cancellation of such Advance Request or a replacement Advance Request specifying a later Requested Advance Date; and

(d) in the event that FFB receives, not later than 12:00 pm (Washington, DC time) on the Requested Advance Date specified in an Advance Request, a written notice delivered by facsimile or email from an official of the Administrator (whose name, title and telephone number appear on the Certificate Specifying Authorized Agency Officials/Incumbency) stating that all conditions precedent to the respective Advance have not been satisfied, FFB shall not make the respective Advance.

Section 7.6 Type of Funds and Means of Advance.

Each Advance shall be made in immediately available funds by electronic funds transfer to such bank account(s) as shall have been specified in the respective Advance Request.

Section 7.7 Interest Rate Applicable to Advances.

The rate of interest applicable to each Advance made under the Note shall be established as provided in paragraph 6 of the Note.

Section 7.8 Interest Rate Confirmation Notices.

After making each Advance, FFB shall deliver, by email, personal delivery or facsimile transmission, to the Borrower and the Agency, written confirmation of the making of the respective Advance, which confirmation shall:

- (a) state the date on which such Advance was made and the amount of such Advance;
- (b) state the interest rate applicable to such Advance; and

(c) assign an Advance Identifier to such Advance for use by the Borrower and the Agency in all communications to FFB making reference to such Advance.

ARTICLE 8**REPRESENTATIONS AND WARRANTIES BY THE BORROWER**

The Borrower makes the representations and warranties provided in this article 8 to FFB and the Administrator.

Section 8.1 Organization.

The Borrower is a legal entity duly organized, validly existing and in good standing under the laws of the Borrower State or country and is qualified to do business in the Project State or country.

Section 8.2 Authority.

The Borrower has all requisite power and authority to carry on its business as presently conducted, to execute and deliver this Agreement and each of the other Borrower Instruments, to consummate the transactions contemplated hereby and thereby, and to perform its obligations hereunder and thereunder.

Section 8.3 Due Authorization.

The execution and delivery by the Borrower of this Agreement and each of the other Borrower Instruments, the consummation by the Borrower of the transactions contemplated hereby and thereby, and the performance by the Borrower of its obligations hereunder and thereunder have been duly authorized by all necessary action.

Section 8.4 Due Execution.

This Agreement has been, and each of the other Borrower Instruments will have been at the respective time of delivery of each thereof, duly executed and delivered by officials of the Borrower who are duly authorized to execute and deliver such documents on its behalf.

Section 8.5 Validity and Enforceability.

This Agreement constitutes, and each of the other Borrower Instruments will constitute at the respective time of delivery of each thereof, the legal, valid, and binding agreement of the Borrower, enforceable against the Borrower in accordance with their respective terms.

Section 8.6 No Governmental Actions Required.

No Governmental Approvals or Governmental Registrations are now, or under existing Governmental Rules will in the future be, required to be obtained or made, as the case may be, by

the Borrower to authorize the execution and delivery by the Borrower of this Agreement or any of the other Borrower Instruments, the consummation by the Borrower of the transactions contemplated hereby or thereby, or the performance by the Borrower of its obligations hereunder or thereunder.

Section 8.7 No Conflicts or Violations.

The execution and delivery by the Borrower of this Agreement or any of the other Borrower Instruments, the consummation by the Borrower of the transactions contemplated hereby or thereby, and the performance by the Borrower of its obligations hereunder or thereunder do not and will not conflict with or violate, result in a breach of, or constitute a default under (a) any term or provision of the charter or organization documents or bylaws of the Borrower; (b) any of the covenants, conditions or agreements contained in any Other Debt Obligation of the Borrower; (c) any Governmental Approval or Governmental Registration obtained or made, as the case may be, by the Borrower; or (d) any Governmental Judgment or Governmental Rule currently applicable to the Borrower.

Section 8.8 No Material Litigation.

There are no lawsuits or judicial or administrative actions, proceedings or investigations pending or, to the best knowledge of the Borrower, threatened against the Borrower which, in the reasonable opinion of the Borrower, is likely to have a Material Adverse Effect on the Borrower.

ARTICLE 9

BILLING BY FFB

Section 9.1 Billing Statements to the Borrower and the Agency.

FFB shall prepare a billing statement for the amounts owed to FFB on each Advance that is made under the Note purchased under this Agreement, and shall deliver each such billing statement to the Borrower and the Agency.

Section 9.2 Failure to Deliver or Receive Billing Statements No Release.

Failure on the part of FFB to deliver any billing statement or failure on the part of the Borrower to receive any billing statement shall not, however, relieve the Borrower of any of its payment obligations under the Note or this Agreement.

Section 9.3 FFB Billing Determinations Conclusive.

9.3.1 Acknowledgment and Consent. The Borrower acknowledges that FFB has described to it:

(a) the rounding methodology employed by FFB in calculating the amount of accrued interest owed at any time on the Note; and

(b) the methodology employed by FFB in calculating the level debt service payment schedule for amounts due and payable on the Note;

and the Borrower consents to these methodologies.

9.3.2 Agreement. The Borrower agrees that any and all determinations made by FFB shall be conclusive and binding upon the Borrower with respect to:

(a) the amount of accrued interest owed on the Note determined using this rounding methodology; and

(b) the amount of any level debt service payment due and payable on the Note determined using this methodology.

ARTICLE 10**BORROWER'S OPTIONS FOR PRINCIPAL REPAYMENT METHODS****Section 10.1 Required Selection.**

For each Advance, the Borrower *must* select, at the time of requesting the respective Advance, the particular principal repayment method that is to apply to such Advance from between the options described in sections 10.2 and 10.3 of this Agreement.

Section 10.2 "Level Debt Service Payments Method".

If the Borrower selects, at the time of requesting an Advance, to have the "Level Debt Service Payments Method" apply to such Advance, the amount of principal due on each Payment Date and on the Maturity Date shall be, in each case, equal to an amount which, when added to the accrued interest due on such Payment Date or the Maturity Date, as the case may be, will be substantially equal to every other semi-annual payment consisting of an installment of principal, and accrued interest, and shall be sufficient, when added to all other such semi-annual payments consisting of an installment of principal, and accrued interest, to repay the principal amount of the respective Advance in full on the Maturity Date.

Section 10.3 “Equal Principal Payments Method”.

If the Borrower selects, at the time of requesting an Advance, to have the “Equal Principal Payments Method” apply to such Advance, the amount of principal due on each Payment Date and on the Maturity Date shall be, in each case, substantially equal to the amount of every other semi-annual installment of principal, and shall be sufficient, when added to all other such semi-annual installments of equal principal to repay the principal amount of the respective Advance in full on the Maturity Date.

ARTICLE 11**PAYMENTS TO FFB**

Each amount that becomes due and owing on the Note purchased under this Agreement shall be paid when and as due, as provided in the Note.

ARTICLE 12**BORROWER’S OPTIONS FOR PREPAYMENT AND REFINANCING PRIVILEGES****Section 12.1 Required Selection.**

For each Advance, the Borrower *must* select, at the time of requesting the respective Advance, the particular prepayment/refinancing privilege that is to apply to such Advance from between the options described in sections 12.2 and 12.3 of this Agreement, subject to terms acceptable to the Administrator.

Section 12.2 “Market Value Prepayment/Refinancing Privilege”.

If the Borrower selects, at the time of requesting an Advance, to have the “Market Value Prepayment/Refinancing Privilege” apply to such Advance, the Borrower shall have the privilege to prepay such Advance (as provided in paragraph 14 of the Note) or to refinance such Advance (as provided in paragraph 15 of the Note) at a prepayment or refinancing price that will include, in either case, a premium (or discount credit) equal to the *difference* between:

(a) the price for such Advance that would, if such Advance (including all unpaid interest accrued thereon through the date of prepayment or refinancing, as the case may be) were purchased by a third party and held to the “Maturity Date” specified in the Note, produce a yield to the third-party purchaser for the period from the date of purchase to such Maturity Date substantially equal to the interest rate that would be set on a loan from

the Secretary of the Treasury to FFB to purchase an obligation having a payment schedule identical to the payment schedule of such Advance for the period from the date of prepayment or refinancing, as the case may be, to such Maturity Date; and

(b) the sum of:

(1) the outstanding principal amount of such Advance on the date of prepayment or refinancing, as the case may be (after taking into account the payment of the principal installment (if any) that is due on date of prepayment or refinancing, as the case may be, in accordance with the principal repayment schedule that applied to such Advance immediately before such prepayment or refinancing); and

(2) all unpaid interest accrued on such Advance through the date of prepayment or refinancing, as the case may be,

(the difference between the price described in paragraph (a) of this section 12.2 and the sum of the amounts described in paragraph (b) of this section 12.2 being the “Market Value Premium (or Discount)”). The price described in paragraph (a) of this section 12.2 shall be calculated by the Secretary of the Treasury as of the close of business on the second Business Day before the date of prepayment or refinancing, as the case may be, using standard calculation methods of the United States Department of the Treasury.

Section 12.3 “Par Prepayment/Refinancing Privilege”.

12.3.1 No Premium. If the Borrower selects, at the time of requesting an Advance, to have the “Par Prepayment/Refinancing Privilege” apply to such Advance, the Borrower shall have the privilege to prepay such Advance (as provided in paragraph 14 of the Note) or to refinance such Advance (as provided in paragraph 15 of the Note) at a prepayment or refinancing price that will include, in either case, no premium.

12.3.2 Standard for Calculating FFB Financing Options Fee for Par Prepayment/ Refinancing Privilege. The fee assessed by FFB and payable by the Borrower to have the Par Prepayment/Refinancing Privilege apply to any Advance (such fee being an “FFB Financing Options fee”) shall be established on the basis of the determination made by FFB described in paragraph 6(d) of the Note.

12.3.3 Calculation and Notification of FFB Financing Options Fee for Par Prepayment/Refinancing Privilege. FFB shall make the determination described in section 12.3.2 of this Agreement for each Advance to which the Borrower has selected to have the Par Prepayment/Refinancing Privilege apply, at the time of the establishment of the particular basic interest rate that is to apply to the respective Advance. After making such determination for each Advance, FFB shall notify the Borrower and the Agency of the particular FFB Financing Options Fee (expressed in terms of a basis point increment) that

is assessed by FFB and payable by such Borrower for the Par Prepayment/Refinancing Privilege in the particular interest rate confirmation notice relating to such Advance to be delivered by FFB in accordance with section 7.8 of this Agreement.

Section 12.4 New Notices and Billing Statements After Refinancings.

In the event of a refinancing of any Advance, FFB shall provide the Borrower and the Agency with a new interest rate confirmation notice and a new billing statement reflecting the new interest rate applicable to such Advance.

ARTICLE 13

AGREEMENTS AND RIGHTS OF THE ADMINISTRATOR AND THE BORROWER

Section 13.1 Administrator's Authority.

In consideration of the Administrator's Guarantee relating to the Note that has been purchased by FFB under this Agreement, the Administrator shall have the sole authority (vis-à-vis FFB), in the case of a default by the Borrower under such Note or the occurrence of an event of default under the Security Instruments, in respect of acceleration of such Note, the exercise of other available remedies, and the disposition of sums or property recovered.

Section 13.2 Administrator's Right to Purchase Advances or the Note.

Notwithstanding the provisions of the Note, the Borrower acknowledges that the Administrator may purchase from FFB all or any portion of any Advance that has been made under the Note, or may purchase from FFB the Note in its entirety, in the same manner, at the same price, and subject to the same limitations as shall be applicable, under the terms of the Note, to a prepayment by the Borrower of all or any portion of any Advance made under the Note, or a prepayment by the Borrower of the Note in its entirety, as the case may be.

Section 13.3 Administrator's Confirmation Relating to the Administrator's Guarantee.

The Administrator confirms to FFB that the obligation of the United States of America to pay amounts due and payable under the Administrator's Guarantee when such amounts become due and payable in accordance with its terms, constitutes the absolute obligation of the United States of America, against which no offset may be made by the United States of America in discharge of its obligation to make these payments and for which the full faith and credit of the United States of America are pledged.

Section 13.4 Delivery of Replacement Certificates Specifying Authorized Borrower Signatories/Incumbency.

The Borrower may, at any time and from time to time, deliver to FFB a revised Certificate Specifying Authorized Borrower Signatories/Incumbency, updated and completed as appropriate, in replacement of the original such certificate delivered pursuant to sections 3.2.3, 4.1(c), and 4.2(a) of this Agreement.

Section 13.5. Administrator's Notice Obligation For Stop Notices.

If the Administrator shall receive any notice of any Stop Notice against the Borrower, FFB or the Agency, which action has not been dismissed against each such applicable party, or has not been bonded in full compliance with, and in satisfaction of all requirements of, applicable law, and in accordance with the terms of the Guarantee Agreement, the Administrator shall provide FFB with notice of such Stop Notice.

ARTICLE 14

EFFECTIVE DATE, TERM, SURVIVAL

Section 14.1 Effective Date.

This Agreement shall be effective as of the date first above written.

Section 14.2 Term of Commitment to Make Advances.

The obligation of FFB under this Agreement to make Advances under the Note issued by the Borrower shall expire on the "Last Day for an Advance" specified in the Note.

Section 14.3 Survival.

14.3.1 Representations, Warranties, and Certifications. All representations, warranties, and certifications made by the Borrower in this Agreement, or in any agreement, instrument, or certificate delivered pursuant hereto, shall survive the execution and delivery of this Agreement, the purchasing of the Note hereunder, and the making of Advances thereunder.

14.3.2 Remainder of Agreement. Notwithstanding the occurrence and passage of the Last Day for an Advance, the remainder of this Agreement shall remain in full force and effect until all amounts owed under this Agreement and the Note purchased by FFB under this Agreement have been paid in full.

ARTICLE 15
MISCELLANEOUS

Section 15.1 Notices.

15.1.1 Addresses of the Parties. All notices and other communications hereunder to be made to either party shall be in writing and shall be addressed as follows:

To FFB:

Federal Financing Bank
Main Treasury Building
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Attention: Chief Financial Officer

Telephone No. (202) 622-2470
Facsimile No. (202) 622-0707

To the Borrower:

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607

Attention: Benedict J. Bowler
Treasurer

Telephone No.: (510) 628-4292
Facsimile No.: (510) 463-8907
Email Address: bbowler@matson.com

To the Administrator (or the Agency):

Maritime Administrator
Office of Marine Financing
U.S. Department of Transportation

1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Telephone No. (202) 366-5737
Facsimile No. (202) 366-7901
Email Address marinefinancing@dot.gov

The address, telephone number, facsimile number, or email address for any party may be changed at any time and from time to time upon written notice given by such changing party to the other party hereto.

15.1.2 Permitted Means of Delivery. Advance Requests, a Rate Commitment Request, notices, and other communications to FFB may be delivered by email, personal delivery or facsimile (fax) transmission of the executed instrument.

15.1.3 Delivery. A properly addressed notice or other communication shall be deemed to have been “delivered” for purposes of this Agreement:

- (a) if made by personal delivery, on the date of such personal delivery;
- (b) if mailed by first class mail, registered or certified mail, express mail, or by any commercial overnight courier service, on the date that such mailing is received;
- (c) if sent by email or facsimile (fax) transmission:
 - (1) if the transmission is received and receipt confirmed before 4:00 p.m. (Washington, DC, time) on any Business Day, on the date of such transmission; and
 - (2) if the transmission is received and receipt confirmed after 4:00 p.m. (Washington, DC, time) on any Business Day or any day that is not a Business Day, on the next Business Day.

15.1.4 Notices to FFB to Contain FFB Identification References. All notices to FFB making any reference to either the Note or any Advance made thereunder shall identify the Note or such Advance by the Note Identifier or the respective Advance Identifier, as the case may be, assigned by FFB to the Note or such Advance.

Section 15.2 Amendments.

No provision of this Agreement may be amended, modified, supplemented, waived, discharged, or terminated orally but only by an instrument in writing duly executed by each of the parties hereto.

Section 15.3 Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of each of FFB, the Administrator and the Borrower, and each of their respective successors and assigns.

Section 15.4 Sale or Assignment of Note.

15.4.1 Sale or Assignment Permitted. Subject to the requirements of the Office of Management and Budget Circular A-129 revised (January 2013), FFB may sell, assign, or otherwise transfer all or any part of the Note or any participation share thereof.

15.4.2 Notice of Sale, Etc. FFB will deliver to the Borrower and the Agency, written notice of any sale, assignment, or other transfer of any Note promptly after any such sale, assignment, or other transfer.

15.4.3 Manner of Payment after Sale. Any sale, assignment, or other transfer of all or any part of any Note may provide that, following such sale, assignment, or other transfer, payments on such Note shall be made in the manner specified by the respective purchaser, assignee, or transferee, as the case may be.

15.4.4 Replacement Notes. The Borrower agrees:

(a) to issue a replacement Note or Notes with the same aggregate principal amount, interest rate, maturity, and other terms as each respective Note or Notes sold, assigned, or transferred pursuant to subsection 15.4.1 of this Agreement; provided, however, that, when requested by the respective purchaser, assignee, or transferee, such replacement Note or Notes shall provide that payments thereunder shall be made in the manner specified by such purchaser, assignee, or transferee; and

(b) to effect the change in ownership on its records and on the face of each such replacement Note issued, upon receipt of each Note or Notes so sold, assigned, or transferred.

Section 15.5 Forbearance Not a Waiver.

Any forbearance on the part of FFB from enforcing any term or condition of this Agreement shall not be construed to be a waiver of such term or condition or acquiescence by FFB in any failure on the part of Borrower to comply with or satisfy such term or condition.

Section 15.6 Rights Confined to Parties.

Nothing expressed or implied herein is intended or shall be construed to confer upon, or to give to, any Person other than FFB, the Borrower, and the Administrator, and their respective successors and permitted assigns, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises, and agreements contained herein shall be for the sole and exclusive benefit of FFB, the Borrower, and the Administrator, and their respective successors and permitted assigns.

Section 15.7 Governing Law.

This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the federal law and not the law of any state or locality.

Section 15.8 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not of itself invalidate or render unenforceable such provision in any other jurisdiction.

Section 15.9 Headings.

The descriptive headings of the various articles, sections, and subsections of this Agreement were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of the provisions hereof.

Section 15.10 Counterparts.

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, FFB, the Borrower, and the Administrator have each caused this Agreement to be executed as of the day and year first above mentioned.

FEDERAL FINANCING BANK
(“FFB”)

By: /s/ Christopher L. Tuttle
Name: Christopher L. Tuttle
Title: Chief Financial Officer

By: /s/ Gary Grippo
Name: Gary Grippo
Title: Vice President and Treasurer

MATSON NAVIGATION COMPANY, INC.
(the “Borrower”)

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer

MARITIME ADMINISTRATOR
MARITIME ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION
(“Administrator”)

By: /s/ T. Mitchell Hudson, Jr.
Name: T. Mitchell Hudson, Jr.
Title: Secretary, Maritime Administration

SCHEDULE I
to
NOTE PURCHASE AGREEMENT
by and among
the Federal Financing Bank,
Matson Navigation Company, Inc.,
and

the Maritime Administrator, Maritime Administration, U.S. Department of Transportation

1. **“Borrower State”** means Hawaii.
2. **“Loan Commitment Amount”** means \$139,584,000.
3. **“Guarantee Agreement”** means Amendment No. 1 dated June 22, 2020, to the Consolidated Agreement: MA – 14454 dated April 27, 2020 between Matson, Inc., Matson Navigation Company, Inc., and the Maritime Administration., as such agreement may be amended, supplemented, and restated from time to time in accordance with its terms.
4. **“Project State”** means California and Hawaii.
5. **“Security Instruments”** means Amendment No. 1 to the Consolidated Agreement: MA – 14454 and the Amendment and Supplement No. 1 to the First Preferred Fleet Mortgage: MA – 14455, each dated June 22, 2020 between Matson, Inc., Matson Navigation Company, Inc., and the Maritime Administration (relating to the vessel KAIMANA HILA), as such agreements and documents may be amended, supplemented, and restated from time to time in accordance with their respective terms.

Pursuant to SEC rules, the following Exhibits have been omitted:

Exhibit B – Form of Certificate Specifying Authorized Borrower Signatories/Incumbency

Exhibit D – Form of Opinion of Borrower’s Counsel re: Borrower Instruments

Exhibit E – Form of Opinion of Agency’s Counsel re: Administrator’s Guarantee

Exhibit F – Form of Administrator’s Certificate

MARAD

MATSON NAVIGATION COMPANY, INC.

EXHIBIT A
TO
NOTE PURCHASE AGREEMENT
FORM
OF
ADVANCE REQUEST

ADVANCE REQUEST

PLEASE REFER TO DEPARTMENT OF TRANSPORTATION, MARITIME ADMINISTRATION (MARAD) REGULATIONS AND INSTRUCTIONS FOR A DESCRIPTION OF (1) ANY OTHER FORMS AND MATERIALS THAT MARAD REQUIRES TO BE SUBMITTED IN CONNECTION WITH EACH ADVANCE REQUEST, AND (2) THE TIME LIMITS FOR SUBMITTING THOSE FORMS AND MATERIALS AND THIS ADVANCE REQUEST TO MARAD.

PLEASE DIRECT ALL QUESTIONS ON HOW TO COMPLETE THIS ADVANCE REQUEST FORM TO THE MARAD CONTACT OFFICE INDICATED BELOW:

Office of Marine Financing
Maritime Administration
U.S. Department of Transportation
1200 New Jersey Avenue, S.E. Washington, D.C. 20590
marinefinancing@dot.gov
(t) 202-366-5737
(f) 202-366-7901

WHEN COMPLETED, PLEASE DELIVER THIS FORM (TOGETHER WITH ALL OTHER FORMS AND MATERIAL REQUIRED BY MARAD) TO THE ADDRESS OF THE MARAD CONTACT OFFICE INDICATED BELOW:

Office of Marine Financing
Maritime Administration
U.S. Department of Transportation
1200 New Jersey Avenue, S.E. Washington, D.C. 20590
marinefinancing@dot.gov
(t) 202-366-5737
(f) 202-366-7901

Chief Financial Officer
Federal Financing Bank

Reference is made to the following-described Future Advance Promissory Note (the "Note") payable to the Federal Financing Bank ("FFB"), which is guaranteed by the Maritime Administrator, Maritime Administration, U.S. Department of Transportation (the "Administrator"):

NAME OF BORROWER (the "Borrower"):

_____ 1

FFB NOTE IDENTIFIER:

_____ 2

1Insert the corporate name of the Borrower. If the corporate name of the Borrower at the time of this Advance is different from the corporate name that appears on page 1 of the Note, add "(formerly _____)", and insert in this second blank the corporate name of the Borrower as it appears on page 1 of the Note.

2Insert the "Note Identifier" that FFB assigned to the Note (as provided in the Note Purchase Agreement).



The undersigned, as an authorized official of the Borrower, hereby requests FFB to make an advance of funds ("this Advance") under, pursuant to, and in accordance with the applicable terms of the Note.

The undersigned further requests that this Advance be made as follows:

1. REQUESTED ADVANCE AMOUNT:

The principal amount of this Advance is requested to be

\$ _____.³

2. REQUESTED ADVANCE DATE:

This Advance is requested to be made on:

_____.⁴

3. WIRE INSTRUCTIONS:

A. Correspondent bank (if any) for payee's bank:

Name of financial institution _____
Address of financial institution _____
ABA number of financial institution _____

B. Payee's bank and account:

Name of financial institution _____
Address of financial institution _____
ABA number of financial institution _____
Account name _____

³Insert the particular amount of funds that the Borrower requests to be advanced.

⁴Insert the particular calendar date that the Borrower requests to be date on which this Advance is to be made, which must be a Business Day.



Account number

Taxpayer ID number

4. PRINCIPAL REPAYMENT METHOD:

The Borrower must select one of the following two alternative principal repayment methods.

(Insert in the box one of the following):

“L” for the “Level Debt Service Payments Method

“E” for the “Equal Principal Payments Method.

Principal Repayment Method selected:

 ⁵

5. PREPAYMENT/REFINANCING PRIVILEGE:

The Borrower must select one of the following two alternative prepayment/refinancing privileges.

(Insert in the box one of the following):

“M” for the “Market Value Prepayment/Refinancing Privilege

“P” for the “Par Prepayment/Refinancing Privilege.

Prepayment/Refinancing Privilege selected:

 ⁶

⁵Insert in the box “L” if the Borrower elects to have the “Level Debt Service Payments Method” apply to this Advance. Insert in the box “E” if the Borrower elects to have a “Equal Principal Payments Method” apply to this Advance.

⁶Insert in the box “M” if the Borrower elects to have the “Market Value Prepayment/Refinancing Privilege” apply to this Advance. Insert in the box “P” if the Borrower elects to have a “Par Prepayment/Refinancing Privilege” apply to this Advance.

6. NO-CALL PERIOD:

If the Borrower selects the Par Prepayment Privilege and wants to include a No-Call Period, the borrower must select a No-Call Period.

(Insert in the box one of the following):

“5” for the “5-Year No-Call Period”

“10” for the “10-Year No-Call Period”.

No-Call Period selected:

 ⁷

⁷Insert in the box “5” if the Borrower elects to have the “5-Year No-Call Period” apply to this Advance as part of the Par Prepayment Privilege. Insert in the box “10” if the Borrower elects to have the “10-Year No-Call Period” apply to this Advance as part of the Par Prepayment Privilege. If the Market Value Prepayment Privilege is selected, leave this box blank.

The undersigned certifies that the undersigned has been given the authority to execute this Advance Request on behalf of the Borrower and to deliver it to the Administrator for review and approval before being forwarded to FFB, and that this authority is valid and in full force and effect on the date hereof.

IN WITNESS WHEREOF, the undersigned has executed this Advance Request and caused it to be delivered to the Administrator for review and approval before being forwarded to FFB.

[Name of Borrower]

Signature: _____

Print Name: _____

Title: _____

Date: _____

ADVANCE REQUEST APPROVAL NOTICE

Notice is hereby given to FFB that the preceding Advance Request made by the Borrower identified therein has been approved by MARAD for purposes of the Note identified therein.

MARITIME ADMINISTRATOR
MARITIME ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION
acting through his or her
duly authorized designee

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT C
TO
NOTE PURCHASE AGREEMENT
FORM
OF
NOTE

MARAD

FOR FFB USE ONLY
Note Identifier:
<u>MATNAV 0002</u>
Purchase Date:
<u>June 22, 2020</u>

Note Date	<u>June 22, 2020</u>
Place of Issue	<u>Washington, DC</u>
Last Day for an Advance (¶3)	<u>July 25, 2020</u>
Maximum Principal Amount (¶4)	<u>\$139,584,000</u>

Maturity Date (¶5) March 15, 2044

Payment Dates (¶7)	<u>March 15</u> & <u>September 15</u> of each year	First Principal Payment Date (¶8)	<u>March 15, 2021</u>
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Security Instruments (¶21) Consolidated Agreement: MA – 14454 dated April 27, 2020, as amended by Amendment No. 1 and Amendment and Supplement No. 1 to First Preferred Fleet Mortgage: MA – 14455, each dated June 22, 2020 between Matson, Inc., Matson Navigation Company, Inc., and the Maritime Administration (relating to the vessel KAIMANA HILA)

FUTURE ADVANCE PROMISSORY NOTE

1. Promise to Pay.

FOR VALUE RECEIVED, MATSON NAVIGATION COMPANY, INC.

(the "Borrower", which term includes any successors or assigns), promises to pay the **FEDERAL FINANCING BANK ("FFB")**, a body corporate and instrumentality of the United States of America (FFB, for so long as it shall be the holder of this Note, and any successor or

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assignee of FFB, for so long as such successor or assignee shall be the holder of this Note, being the “Holder”), at the times, in the manner, and with interest at the rates to be established as hereinafter provided, such amounts as may be advanced from time to time by FFB to or for the account of the Borrower under this Note (each such amount being an “Advance” and more than one such amounts being “Advances”).

2. **Reference to Certain Agreements.**

(a) **Program Financing Agreement.** This Note is one of the “Notes” referred to in, and entitled to the benefits of, the Program Financing Agreement dated as of January 19, 2017, made by and between FFB and the Maritime Administrator, Maritime Administration, U.S. Department of Transportation (the “Administrator”) (such agreement, as it may be amended, supplemented, and restated from time to time in accordance with its terms, being the “Program Financing Agreement”).

(b) **Note Purchase Agreement.** This Note is the “Note” referred to in, and entitled to the benefits of, the Note Purchase Agreement dated as of even date herewith, made by and among FFB, the Borrower, and the Administrator (such agreement, as it may be amended, supplemented, and restated from time to time in accordance with its terms, being the “Note Purchase Agreement”).

3. **Advances; Advance Requests; Last Day for Advances.**

(a) Subject to the terms and conditions of the Note Purchase Agreement, FFB shall make Advances under this Note in the amounts, at the times, and to the accounts requested by the Borrower from time to time, in each case upon delivery to FFB of a written request by the Borrower for an Advance under this Note, in the form of request attached to the Note Purchase Agreement as Exhibit A thereto (each such request being an “Advance Request”), completed as prescribed in the Note Purchase Agreement; provided, however, that no Advance may be made under this Note after the particular date specified on page 1 of this Note as being the “Last Day for an Advance”.

(b) To be effective, an Advance Request must first be delivered to the Administrator for approval and be approved by or on behalf of the Administrator in writing, and such Advance Request, together with written notification of the Administrator’s approval thereof, must be received by FFB on or before the third Business Day before the particular calendar date specified in such Advance Request that the Borrower requests to be the date on which the respective Advance is to be made.

(c) The Borrower hereby agrees that FFB, for its purposes, may consider any Advance Request approved by or on behalf of the Administrator and delivered to FFB in accordance with the terms of the Note Purchase Agreement to be an accurate representation of the Borrower’s request for an Advance under this Note and the Administrator’s approval of that Advance Request.

MARAD

4. **Principal Amount of Advances; Maximum Principal Amount.**

The principal amount of each Advance shall be the amount specified in the respective Advance Request; provided, however, that the aggregate principal amount of all Advances made under this Note may not exceed the particular amount specified on page 1 of this Note as the “Maximum Principal Amount.”

5. **Maturity Date.**

This Note, and each Advance made hereunder, shall mature on the particular date specified on page 1 of this Note as the “Maturity Date” (such date being the “Maturity Date”).

6. **Computation of Interest on Each Advance.**

(a) Subject to paragraphs 11 and 14 of this Note, interest on the outstanding principal of each Advance shall accrue from the date on which the respective Advance is made to the date on which such principal is due.

(b) Interest on each Advance shall be computed on the basis of (1) actual days elapsed from (but not including) the date on which the respective Advance is made (for the first payment of interest due under this Note for the respective Advance) or the date on which the payment of interest was last due (for all other payments of interest due under this Note for the respective Advance), to (and including) the date on which payment is next due, and (2) a year of 365 days.

(c) The basic interest rate applicable to each Advance shall be established by FFB at the time that the respective Advance is made on the basis of the determination made by the Secretary of the Treasury pursuant to section 6(b) (12 U.S.C. § 2285(b)) of the Federal Financing Bank Act of 1973 (Pub. L. No. 93-224, 87 Stat. 937, codified at 12 U.S.C. § 2281 et seq.), as amended (the “FFB Act”), and shall be equal to three-eighths of 1 percent per annum (0.375%) over the current average yield on outstanding marketable obligations of the United States of comparable maturity, as determined by the Secretary of the Treasury; provided, however, that the shortest maturity used as the basis for any basic interest rate determination shall be the remaining maturity of the most recently auctioned United States Treasury bills having the shortest maturity of all United States Treasury bills then being regularly auctioned.

(d) In the event that the Borrower has selected, at the time of requesting an Advance, to have the “Par Prepayment/Refinancing Privilege” described in the Note Purchase Agreement apply to such Advance, then the interest rate for the Advance shall also include a fee (expressed in terms of a basis point increment to the applicable basic interest rate) for the Par Prepayment/ Refinancing Privilege, which fee shall be established by FFB on the basis of a determination made by FFB as to the difference between (1) the estimated market yield of a notional obligation if such obligation were to (A) be issued by the Secretary of the Treasury, (B) have a maturity comparable to the maturity of such Advance, and (C) include prepayment and refinancing privileges identical to the Par Prepayment/Refinancing Privilege, and (2) the estimated market yield of a notional obligation if such obligation were to (A) be issued by the Secretary of the

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Treasury, (B) have a maturity comparable to the maturity of such Advance, but (C) not include such prepayment and refinancing privileges.

7. **Payment of Interest; Payment Dates**

Interest accrued on the outstanding principal balance of each Advance shall be due and payable on each of the particular dates specified on page 1 of this Note as “Payment Dates” (each such date being a “Payment Date”), beginning on the first Payment Date to occur after the date on which such Advance is made, up through and including the Maturity Date.

8. **Payment of Principal.**

(a) The principal amount of each Advance shall be payable in installments, which payments shall be due beginning on the particular date specified as the “First Principal Payment Date” on page 1 of this Note (such date being the “First Principal Payment Date”), and shall be due on each Payment Date to occur thereafter until the principal of the respective Advance is repaid in full on or before the Maturity Date of such Advance.

(b) With respect to each Advance for which the Borrower selected, at the time of requesting the respective Advance, the “Level Debt Service Payments Method” described in the Note Purchase Agreement as the principal repayment method to apply to such Advance (such method being the “Level Debt Service Payments Method”), the amount of principal, due on the First Principal Payment Date, on each Payment Date to occur thereafter, and on the Maturity Date shall be, in each case, equal to an amount which, when added to the accrued interest due on such Payment Date or the Maturity Date, as the case may be, will be substantially equal to every other payment consisting of an installment of principal and accrued interest, and shall be sufficient, when added to all other such payments consisting of an installment of principal, and accrued interest, to repay the principal amount of, the respective Advance in full on the Maturity Date;

(c) With respect to each Advance for which the Borrower selected, at the time of requesting the respective Advance, the “Equal Principal Payments Method” described in the Note Purchase Agreement as the principal repayment method to apply to such Advance (such method being the “Equal Principal Payments Method”), the amount of principal due on the First Principal Payment Date, on each Payment Date to occur thereafter, and on the Maturity Date shall be, in each case, substantially equal to the amount of every other semi-annual installment of principal, and shall be sufficient, when added to all other such semi-annual installments of equal principal to repay the principal amount of the respective Advance in full on the Maturity Date.

9. **Business Days.**

(a) Whenever any Payment Date or the Maturity Date shall fall on a day on which neither FFB nor the Federal Reserve Bank of New York is open for business, the payment which would otherwise be due on such Payment Date or the Maturity Date shall be due on the first day thereafter on which FFB and the Federal Reserve Bank of New York are both open for business (any such day being a “Business Day”).

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(b) In the case of a Payment Date falling on a day other than a Business Day, the extension of time for making the payment that would otherwise be due on such Payment Date shall (1) be taken into account in establishing the interest rate for each Advance, and (2) be included in computing interest due in connection with such payment and excluded in computing interest due in connection with the next payment.

(c) In the case of the Maturity Date falling on a day other than a Business Day, the extension of time for making the payment that would otherwise be due on the Maturity Date shall (1) be taken into account in establishing the interest rate for each Advance, and (2) be included in computing interest due in connection with such payment.

10. Manner of Making Payments.

(a) For so long as FFB is the Holder of this Note, unless as shall be specified by FFB in a written notice to the Borrower and the Administrator, each payment under this Note shall be paid in immediately available funds by electronic funds transfer to the account of the United States Treasury (for credit to the subaccount of the Administrator) maintained at the Federal Reserve Bank of New York in the manner described below:

U.S. Treasury Department
ABA No. 0210-3000-4
TREAS NYC/CTR/BNF= 69170001

provided, however, that a payment made in the manner described above shall not discharge any portion of a payment obligation under this Note, or be applied as provided in paragraph 13 of this Note, until the payment has been received and credited to the subaccount of FFB (within the account of the United States Treasury maintained at the Federal Reserve Bank of New York) specified by FFB in a written notice to the Administrator, or to such other account as may be specified from time to time by FFB in a written notice to the Administrator.

(b) In the event that FFB is *not* the Holder of this Note, then each payment under this Note shall be made in immediately available funds by electronic funds transfer to such account as shall be specified by the Holder in a written notice to the Borrower.

11. Late Payments.

(a) In the event that any payment of any amount owing under this Note is not made when and as due (any such amount being then an "Overdue Amount"), then the amount payable shall be such Overdue Amount plus interest thereon (such interest being the "Late Charge") computed in accordance with this subparagraph (a):

(1) The Late Charge shall accrue from the scheduled date of payment for the Overdue Amount (taking into account paragraph 9 of this Note) to the date on which payment is made.

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(2) The Late Charge shall be computed on the basis of (A) actual days elapsed from (but not including) the scheduled date of payment for such Overdue Amount (taking into account paragraph 9 of this Note) to (and including) the date on which payment is made, and (B) a year of 365 days.

(3) The Late Charge shall accrue at a rate (the "Late Charge Rate") equal to one and one-half times the rate to be determined by the Secretary of the Treasury taking into consideration the prevailing market yield on the remaining maturity of the most recently auctioned 13-week United States Treasury bills.

(4) The initial Late Charge Rate shall be in effect until the earlier to occur of either (A) the date on which payment of the Overdue Amount and the amount of the accrued Late Charge is made, or (B) the first Payment Date to occur after the scheduled date of payment for such Overdue Amount. In the event that the Overdue Amount and the amount of the accrued Late Charge are not paid on or before such Payment Date, then the amount payable shall be the sum of the Overdue Amount and the amount of the accrued Late Charge, plus a Late Charge on such sum accruing at a new Late Charge Rate to be then determined in accordance with the principles of clause (3) of this subparagraph (a). For so long as any Overdue Amount remains unpaid, the Late Charge Rate shall be redetermined in accordance with the principles of clause (3) of this subparagraph (a) on each Payment Date to occur thereafter, and shall be applied to the Overdue Amount and all amounts of the accrued Late Charge to the date on which payment of the Overdue Amount and all amounts of the accrued Late Charge is made.

(b) Nothing in subparagraph (a) of this paragraph 11 shall be construed as permitting or implying that the Borrower may, without the written consent of the Holder, modify, extend, alter or affect in any manner whatsoever (except as explicitly provided herein) the right of the Holder to receive any and all payments on account of this Note on the dates specified in this Note.

12. Final Due Date.

Notwithstanding anything in this Note to the contrary, all amounts outstanding under this Note remaining unpaid as of the Maturity Date shall be due and payable on the Maturity Date.

13. Application of Payments.

Each payment made on this Note shall be applied first to the payment of Late Charges (if any) payable under paragraphs 11 and 16 of this Note, then to the payment of premiums (if any) payable under paragraphs 14 and 15 of this Note, then to the payment of accrued interest, and then on account of outstanding principal.

14. Prepayments.

(a) The Borrower may elect to prepay all or any portion of the outstanding principal amount of any Advance made under this Note, or to prepay this Note in its entirety, in the

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manner, at the price, and subject to the limitations specified in this paragraph 14 (each such election being a “Prepayment Election”).

(b) The Borrower shall deliver to FFB (and if FFB is not the Holder, then also to the Holder) written notification of each Prepayment Election (each such notification being a “Prepayment Election Notice”), specifying:

(1) the Advance Identifier that FFB assigned to the respective Advance (as provided in the Note Purchase Agreement);

(2) the particular date on which the Borrower intends to prepay the respective Advance (such date being the “Intended Prepayment Date” for the respective Advance), which date *must* be a Business Day; and

(3) the amount of principal of the respective Advance that the Borrower intends to prepay, which amount may be either:

(A) the total outstanding principal amount of such Advance; or

(B) an amount less than the total outstanding principal amount of such Advance (any such amount being a “Portion”).

(c) To be effective, a Prepayment Election Notice must be received by FFB (and if FFB is not the Holder, then also by the Holder) on or before the fifth Business Day before the date specified in therein as the Intended Prepayment Date for the respective Advance or Portion.

(d) The Borrower shall pay to the Holder a price for the prepayment of any Advance or Portion (such price being the “Prepayment Price” for such Advance or Portion) determined as follows:

(1) in the event that the Borrower elects to prepay the entire outstanding principal amount of any Advance, then the Borrower shall pay to the Holder a Prepayment Price for such Advance equal to the sum of:

(A) the outstanding principal amount of such Advance on the Intended Prepayment Date;

(B) all unpaid interest (and Late Charges, if any) accrued on such Advance through the Intended Prepayment Date;

(C) in the event that the Borrower selected, at the time of requesting such Advance, the “Market Value Prepayment/Refinancing Privilege” described in the Note Purchase Agreement to apply to such Advance (such privilege being the “Market Value Prepayment/Refinancing Privilege”), the amount of the premium or discount credit (if any) that is required under the Market Value Prepayment/ Refinancing Privilege, determined as provided in the Note Purchase Agreement

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(such premium or discount credit being the “Market Value Premium (or Discount)”); and

(D) in the event that the Borrower selected, at the time of requesting such Advance, the “Par Prepayment/Refinancing Privilege” described in the Note Purchase Agreement to apply to such Advance (such privilege being the “Par Prepayment/Refinancing Privilege”), no premium; and

(2) in the event that the Borrower elects to prepay a Portion of any Advance, then the Borrower shall pay to the Holder a Prepayment Price for such Portion that would equal such Portion’s pro rata share of the Prepayment Price that would be required for a prepayment of the entire principal amount of such Advance (determined in accordance with the principles of clause (1) of this subparagraph (d));

(3) in the event that the Borrower elects to prepay this Note in its entirety, then the Borrower shall pay to the Holder an amount equal to the sum of the Prepayment Prices for all outstanding Advances (determined in accordance with the principles of clause (1) of this subparagraph (d)); and

(4) in the event of an actual, constructive, agreed or compromised total loss of the project or projects financed with Advances made under this Note (as determined in writing by the Administrator), then the Borrower shall pay to the Holder an amount equal to the sum of the Prepayment Prices for all outstanding Advances (determined in accordance with the principles of clause (1) of this subparagraph (d) without regard to subclauses (C) and (D) of clause (1) of this subparagraph (d)).

(e) Payment of the Prepayment Price for any Advance or any Portion shall be due to the Holder before 3:00 p.m. (Washington, DC, time) on the Intended Prepayment Date for such Advance or Portion.

(f) Each prepayment of a Portion shall, as to the principal amount of such Portion, be subject to a minimum amount equal to \$100,000.00 of principal.

(g) In the event that the Borrower makes a Prepayment Election with respect to any Portion of an Advance, then the Prepayment Price paid for such Portion will be applied as provided in paragraph 13 of this Note, and, with respect to application to outstanding principal, such Prepayment Price shall be applied to principal installments in the inverse order of maturity.

(h) In the event that the Borrower makes a Prepayment Election with respect to any Portion of an Advance, then the outstanding principal amount of such Advance, from and after such partial prepayment, shall be due and payable in accordance with this subparagraph (h).

(1) In the event that the Borrower selected, at the time of requesting such Advance, the Level Debt Service Payments Method to apply to the Advance, the amount of the semi-annual level payments of principal, and accrued interest that will be due after such partial prepayment shall be equal to the semi-annual level debt service payments

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that were due in accordance with the level debt service payment schedule that was in effect for such Advance immediately before such partial prepayment, and such payments shall be allocated by FFB between outstanding principal, and accrued interest, as appropriate.

(2) In the event that the Borrower selected, at the time of requesting such Advance, the Equal Principal Payments Method to apply to the Advance, the amount of the semi-annual principal installments that will be due after such partial prepayment shall be equal to the semi-annual installments of equal principal that were due in accordance with the principal repayment schedule that applied to such Advance immediately before such partial prepayment.

(3) The payments of principal and accrued interest shall be due beginning on the first Payment Date to occur after such partial prepayment, and shall be due on each Payment Date to occur thereafter up through and including the date on which the entire principal amount of such Advance, and all unpaid interest (and Late Charges, if any) accrued thereon, are paid.

15. **Refinancings.**

(a) The Borrower may elect to refinance the entire principal amount of any Advance made under this Note, or to refinance this Note in its entirety, in the manner, at the price, and subject to the limitations specified in this paragraph 15 (each such election being a "Refinancing Election").

(b) The Borrower shall deliver to FFB (and if FFB is not the Holder, then also to the Holder) written notification of each Refinancing Election (each such notification being a "Refinancing Election Notice"), specifying:

(1) the Advance Identifier that FFB assigned to the respective Advance (as provided in the Note Purchase Agreement); and

(2) the particular date on which the Borrower intends to refinance the respective Advance (such date being the "Intended Refinancing Date" for the respective Advance), which date *must* be a Payment Date.

(c) To be effective, a Refinancing Election Notice must be received by FFB (and if FFB is not the Holder, then also by the Holder) on or before the fifth Business Day before the date specified therein as the Intended Refinancing Date for the respective Advance.

(d) The Borrower shall pay to the Holder a price for the refinancing of any Advance (such price being the "Refinancing Price" for such Advance) determined as follows:

(1) in the event that the Borrower elects to refinance the outstanding principal amount of any Advance, then the Borrower shall pay to the Holder a Refinancing Price for such Advance equal to the sum of:

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(A) the installment (if any) of principal that is due on the particular Payment Date that the Borrower specified to be the Intended Refinancing Date, in accordance with the principal repayment schedule that is in effect for such Advance immediately before such refinancing;

(B) all unpaid interest (and Late Charges, if any) accrued on such Advance through the Intended Refinancing Date; and

(C) the amount of the premium (if any) that is required under the particular prepayment/refinancing privilege that applies to such Advance, determined as provided in the Note Purchase Agreement.

In the event that (A) the prepayment/refinancing privilege that applies to the particular Advance being refinanced is the Market Value Prepayment/Refinancing Privilege, and (B) the Market Value Premium (or Discount) that is to be included in the Refinancing Price for such Advance is a discount on such Advance, then such discount shall be applied by FFB in the manner requested by the Borrower in a written notice delivered by the Borrower to FFB and approved by the Administrator in writing.

(2) in the event that the Borrower elects to refinance this Note in its entirety, then the Borrower shall pay to the Holder an amount equal to the sum of the Refinancing Prices for all outstanding Advances (determined in accordance with the principles of clause (1) of this subparagraph (d)).

(e) Payment of the Refinancing Price for any Advance shall be due to the Holder before 3:00 p.m. (Washington, DC, time) on the Intended Refinancing Date for such Advance.

(f) The refinancing of any Advance shall become effective on the Intended Refinancing Date specified in the Refinancing Election Notice for such Advance (in which event, such Intended Refinancing Date being the "Initial Refinancing Effective Date").

(g) In the event that the Borrower selects, at the time of its initial Refinancing Election respecting any Advance, to have, from and after the Initial Refinancing Effective Date for such Advance, the Par Prepayment/Refinancing Privilege apply again to such Advance, then the interest rate for such Advance, from and after the Initial Refinancing Effective Date, shall be the respective rate that is established in accordance with the principles of paragraph 6(c) of this Note (provided, however, that the reference to "the time that the respective Advance is made" in paragraph 6(c) of this Note shall be deemed to be a reference to "as of such Initial Refinancing Effective Date"), plus an increment to such rate, which increment shall be established by FFB in accordance with the principles of paragraph 6(d) of this Note. In the event that the Borrower does *not* select, at the time of its initial Refinancing Election respecting any Advance, to have, from and after the Initial Refinancing Effective Date for such Advance, the Par Prepayment/ Refinancing Privilege to apply again such Advance, then the interest rate for such Advance, from and after the Initial Refinancing Effective Date, shall be the rate that is established, as of the

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Initial Refinancing Effective Date, in accordance with the principles of paragraph 6(c) of this Note.

(h) In the event that the Borrower makes a Refinancing Election with respect to any Advance, then the outstanding principal amount of such Advance, from and after the respective Initial Refinancing Effective Date, shall be due and payable in accordance with this subparagraph (h).

(1) In the event that the Borrower selected, at the time of requesting such Advance, the Level Debt Service Payments Method to apply to the Advance:

(A) the amount of the level payments of principal and accrued interest that will be due after such Initial Refinancing Effective Date shall be newly computed so that the amount of each such payment consisting of an installment of principal and accrued interest (taking into account the new interest rate that is in effect for such Advance from and after such Initial Refinancing Effective Date) shall be substantially equal to the amount of every other payment consisting of an installment of principal and accrued interest, and shall be sufficient, when added to all other such payments consisting of an installment of principal and accrued interest, to repay the outstanding principal amount of such refinanced Advance in full on the Maturity Date; and

(B) the newly-computed level payments of principal or capitalized interest or combination of both, as the case may be, and accrued interest shall be due beginning on the first Payment Date to occur after the Initial Refinancing Effective Date, and shall be due on each Payment Date to occur thereafter up through and including the Maturity Date.

(2) In the event that the Borrower selected, at the time of requesting such Advance, the Equal Principal Payments Method to apply to the Advance:

(A) the amount of the semi-annual principal installments that will be due after such Initial Refinancing Effective Date shall be equal to the semi-annual installments of equal principal that were due in accordance with the principal repayment schedule that applied to such Advance immediately before such partial prepayment; and

(B) the payments of equal principal and accrued interest shall be due beginning on the first Payment Date to occur after the Initial Refinancing Effective Date, and shall be due on each Payment Date to occur thereafter up through and including the Maturity Date.

(i) In the event that the Borrower makes a Refinancing Election with respect to any Advance, the Borrower may thereafter prepay or refinance again such Advance in accordance with this subparagraph (i).

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(1) In the event that the Borrower selected, at the time of its initial Refinancing Election respecting such Advance, to have, after the Initial Refinancing Effective Date for such Advance, the Par Prepayment/Refinancing Privilege apply again to such Advance, then the Borrower may:

(A) prepay such Advance or any Portion thereof on any Business Day in the manner described in paragraph 14 of this Note at a Prepayment Price for such Advance or Portion, as the case may be, determined in accordance with the principles of paragraph 14(d) of this Note; or

(B) refinance such Advance on any Payment Date in the manner described in this paragraph 15 at a Refinancing Price for such Advance determined in accordance with the principles of subparagraph (d) of this paragraph 15.

(2) In the event that the Borrower did *not* elect, at the time of its initial Refinancing Election respecting any Advance, to have, after the Initial Refinancing Effective Date for such Advance, the Par Prepayment/Refinancing Privilege apply again to such Advance, then the Borrower may:

(A) prepay such Advance on any Business Day occurring after the Initial Refinancing Effective Date for such Advance in the manner described in paragraph 14 of this Note at a Prepayment Price for such Advance equal to the sum of:

(i) the price that would, if such Advance (including all unpaid interest accrued thereon through the Intended Prepayment Date) were purchased by a third party and held to the Maturity Date, produce a yield to the third-party purchaser for the period from the date of purchase to the Maturity Date substantially equal to the interest rate that would be set on a loan from the Secretary of the Treasury to FFB to purchase an obligation having a payment schedule identical to the payment schedule of such Advance for the period from the Intended Prepayment Date to the Maturity Date; and

(ii) all unpaid Late Charges (if any) accrued on such Advance through the Intended Prepayment Date;

(B) prepay any Portion of such Advance on any Business Day occurring after the Initial Refinancing Effective Date for such Advance in the manner described in paragraph 14 of this Note at a Prepayment Price for such Portion that would equal such Portion's pro rata share of the Prepayment Price that would be required for a prepayment of the entire outstanding principal amount of such Advance (determined in accordance with the principles of subclause (A) of this clause (2)); or

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(C) refinance again such Advance on any Payment Date occurring after the Initial Refinancing Effective Date for such Advance in the manner described in this paragraph 15 at a Refinancing Price for such Advance equal to the *difference* between:

(i) an amount equal to the Prepayment Price that would be required for a prepayment of the entire outstanding principal amount of such Advance on the Intended Refinancing Date (determined in accordance with the principles of subclause (A) of this clause (2)); and

(ii) the outstanding principal amount of such Advance on the Intended Refinancing Date, after taking into account the payment of the installment (if any) of principal, or capitalized interest, or combination of both, as the case may be, that is due on the particular Payment Date that the Borrower specified to be the Intended Refinancing Date, in accordance with the principal repayment schedule that is in effect for such Advance immediately before such refinancing.

The price described in subclause (A)(i) of this clause (2) shall be calculated by the Secretary of the Treasury as of the close of business on the second Business Day before the Intended Prepayment Date, using standard calculation methods of the United States Agency of the Treasury.

16. Rescission of Prepayment or Refinancing Elections; Late Charges for Late Payments of Prepayment or Refinancing Prices.

(a) The Borrower may rescind any Prepayment Election made in accordance with paragraph 14 of this Note or any Refinancing Election made in accordance with paragraph 15 of this Note, but only in accordance with this paragraph 16.

(b) The Borrower shall deliver to FFB written notification of each rescission of a Prepayment Election or a Refinancing Election (each such notification being an "Election Rescission Notice") specifying the particular Advance for which the Borrower wishes to rescind such Prepayment Election or Refinancing Election, as the case may be, which specification must make reference to the particular "Advance Identifier" (as that term is defined in the Note Purchase Agreement) that FFB assigned to such Advance (as provided in the Note Purchase Agreement). The Election Rescission Notice may be delivered by email or facsimile transmission to FFB at (202) 622-0707 or at such email or other facsimile number or numbers as FFB may from time to time communicate to the Borrower.

(c) To be effective, an Election Rescission Notice must be received by FFB not later than 3:30 p.m. (Washington, DC, time) on the second Business Day before the Intended Prepayment Date or the Intended Refinancing Date, as the case may be.

(d) In the event that the Borrower (1) makes a Prepayment Election in accordance with paragraph 14 of this Note or a Refinancing Election in accordance with paragraph 15 of this

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Note, (2) does not rescind such Prepayment Election or Refinancing Election, as the case may be, in accordance with this paragraph 16, and (3) does not, before 3:00 p.m. (Washington, DC, time) on the Intended Prepayment Date or Intended Refinancing Date, as the case may be, pay to FFB the Prepayment Price described in paragraph 14(d) of this Note or Refinancing Price described in paragraph 15(d) of this Note, as the case may be, then a Late Charge shall accrue on any such unpaid amount from the Intended Prepayment Date or Intended Refinancing Date, as the case may be, to the date on which payment is made, computed in accordance with the principles of paragraph 11 of this Note.

17. Amendments to Note.

To the extent not inconsistent with applicable law, this Note shall be subject to modification by such amendments, extensions, and renewals as may be agreed upon from time to time by the Holder and the Borrower, with the written approval of the Administrator.

18. Certain Waivers.

The Borrower hereby waives any requirement for presentment, protest, or other demand or notice with respect to this Note.

19. Effective Until Paid.

This Note shall continue in full force and effect until all amounts due and payable hereunder have been paid in full.

20. Administrator's Guarantee of Note.

Upon execution of the guarantee set forth at the end of this Note (the "Administrator's Guarantee"), the payment by the Borrower of all amounts due and payable under this Note, when and as due, shall be guaranteed, pursuant to the Administrator's Guarantee, by the United States of America, acting through the Administrator, pursuant to Chapter 537 of Title 46 of the United States Code. In consideration of the Administrator's Guarantee, the Borrower promises to the Administrator to make all payments due under this Note when and as due.

21. Security Instruments; Administrator as "Holder" of Note for Purposes of the Security Instruments.

This Note is entitled to the benefits and security of, the particular security instrument or instruments specified on page 1 of this Note (such security instrument or instruments, as it or they may have heretofore been, and as it or they may hereafter be, amended, supplemented, restated, or consolidated from time to time in accordance with its or their terms, being, collectively, the "Security Instruments"), whereby the Borrower pledged and granted a security interest in certain property of the Borrower, described therein, to secure the payment of and performance of certain obligations owed to the Administrator, as set forth in the Security Instruments. For purposes of the Security Instruments, in consideration of the undertakings of the Administrator set forth in the Administrator's Guarantee, the Administrator shall be

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considered to be, and shall have the rights, powers, privileges, and remedies of, the Holder of this Note.

22. Guarantee Payments; Reimbursement.

If the Administrator makes any payment, pursuant to the Administrator's Guarantee, of any amount due and payable under this Note, when and as due, each and every such payment so made shall be deemed to be a payment hereunder; provided, however, that no payment by the Administrator pursuant to the Administrator's Guarantee shall be considered a payment for purposes of determining the existence of a failure by the Borrower to perform its obligation to the Administrator to make all payments under this Note when and as due. The Administrator shall have any rights by way of subrogation, agreement, or otherwise which arise as a result of such payment pursuant to the Administrator's Guarantee.

23. Default and Enforcement.

In case of a default by the Borrower under this Note or the occurrence of an event of default under the Guarantee Agreement or the Security Instruments, then, in consideration of the obligation of the Administrator under the Administrator's Guarantee, in that event, to make payments to FFB as provided in this Note, the Administrator, in the name of the Administrator or the United States of America, shall have all rights, powers, privileges, and remedies of the Holder of this Note, in accordance with the terms of this Note and the Security Instruments, including, without limitation, the right to enforce or collect all or any part of the obligation of the Borrower under this Note or arising as a result of the Administrator's Guarantee, to file proofs of claim or any other document in any bankruptcy, insolvency, or other judicial proceeding, and to vote such proofs of claim.

24. Acceleration.

The entire unpaid principal amount of this Note, and all interest thereon, may be declared, and upon such declaration shall become, due and payable to the Administrator, under the circumstances described, and in the manner and with the effect provided, in the Guarantee Agreement or the Security Instruments.

25. Governing Law.

This Note shall be governed by, and construed and interpreted in accordance with, the Federal laws and not the law of any state or locality.

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IN WITNESS WHEREOF, the Borrower has caused this Note to be signed in its corporate name and its corporate seal to be hereunder affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

MATSON NAVIGATION COMPANY, INC.

BY:

Signature: _____

Print Name: _____

Title: _____

ATTEST:

(SEAL)

Signature: _____

Print Name: _____

Title: Secretary

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MATSON NAVIGATION COMPANY, INC.

EXHIBIT G
TO
NOTE PURCHASE AGREEMENT
FORM
OF
ADMINISTRATOR'S GUARANTEE

ADMINISTRATOR’S GUARANTEE

The United States of America, acting through the Maritime Administrator, Maritime Administration, U.S. Department of Transportation (the “Administrator”), hereby guarantees to the Federal Financing Bank, its successors and assigns (“FFB”), all payments of principal and interest, when and as due in accordance with the terms of the note dated June 22, 2020, issued by Matson Navigation Company, Inc. (the “Borrower”) payable to FFB in the maximum principal amount of \$139,584,000, to which this Administrator’s Guarantee is attached (such note being the “Note”), with interest on the principal until paid, irrespective of (i) acceleration of such payments under the terms of the Note, or (ii) receipt by the Administrator of any sums or property from its enforcement of its remedies for the Borrower’s default.

This Administrator’s Guarantee is issued pursuant to section Chapter 537 of Title 46 of the United States Code, section 6 of the Federal Financing Bank Act of 1973 (12 U.S.C. § 2285), and the Note Purchase Agreement dated as of June 22, 2020, among FFB, the Borrower, and the Administrator.

UNITED STATES OF AMERICA

By: _____

Name: _____

Title: _____

Date: June 22, 2020

ADMINISTRATOR’S GUARANTEE

AMENDMENT NO. 1 TO AFFILIATE GUARANTY

THIS AMENDMENT NO. 1 (the "Amendment"), dated as of the Second Closing Date, to AFFILIATE GUARANTY, dated as of April 27th, 2020 (the "Affiliate Guaranty"), is made by and between MATSON, INC., a Hawaii corporation (the "Affiliate Guarantor") and consented to by THE UNITED STATES OF AMERICA, represented by the Maritime Administrator of the Maritime Administration (the "Administrator").

RECITALS:

A. Matson Navigation Company, Inc., a Hawaii corporation (the "Shipowner") and the Administrator are parties to Amendment No. 1, dated as of the date hereof, to the Consolidated Agreement, Contract No. MA-14454, dated as of April 27, 2020 (as so amended, the "Agreement") and the other Transaction Documents;

B. The Shipowner, in connection with the financing of the Second Vessel, on the date hereof, borrowed certain funds and created and authorized the issuance of the Second Vessel Note issued pursuant to the Second Vessel Note Purchase Agreement and the Administrator issued the Guarantee of the Second Vessel Note.

C. The Shipowner has, in consideration of the issuance of the Guarantee on the Second Vessel Note, issued and delivered, the Second Administrator's Note to the Administrator.

D. The Affiliate Guarantor is directly and materially interested in the financial success of the Shipowner, and maintains significant business relationships with the Shipowner, and the Affiliate Guaranty as amended hereby may be expected to benefit, directly or indirectly, the Affiliate Guarantor.

E. The Administrator has required this Amendment to the Affiliate Guaranty from the Affiliate Guarantor as an integral part of the consideration offered by or on behalf of the Shipowner as a condition of the Administrator's decision to enter into the Agreement and to issue the Guarantee on the Second Vessel Note, and the Affiliate Guarantor has entered into this Amendment for the purpose of guaranteeing the Shipowner's obligations to the Administrator under the Agreement with respect to the Second Administrator's Note, and the Assignment of Construction Contract, Assignment of Earnings, Assignment of Insurances, and Mortgage, all relating to the Second Vessel (each of which are hereafter included in the definition of "Matson Guaranteed Document" and the "Matson Guaranteed Documents", as defined in the Affiliate Guaranty).

Now, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Affiliate Guarantor hereby agrees as follows:

1. Amendment. The Affiliate Guaranty is amended by amending the term “Matson Guaranteed Documents” as set forth in Recital E. of the Affiliate Guaranty to include the Second Administrator’s Note, and the related Assignment of Construction Contract, Assignment of Earnings, Assignment of Insurances, and Mortgage, each of which relates to the Second Vessel.

2. Ratification. The Affiliate Guarantor hereby confirms its obligations under the Affiliate Guaranty, as amended hereby, and that the Affiliate Guaranty as amended hereby continues in full force and effect.

3. Miscellaneous.

(a) This Amendment may be executed in one or more counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

(b) Unless otherwise specifically defined herein, the capitalized terms used herein are defined in the Agreement and any reference therein to other instruments shall have the respective meaning stated in the Agreement or such other instruments.

(c) This Amendment is executed as and shall constitute an instrument supplemental to and amending and shall be construed with and as part of the Affiliate Guaranty.

IN WITNESS WHEREOF, this Amendment has been executed on the day and year first above written.

(SEAL)
Attest:

AFFILIATE GUARANTOR

By: /s/ Rachel C. Lee
Name: Rachel C. Lee
Title: Corporate Secretary

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Senior Vice President and Chief Financial Officer

Consented to by:

Maritime Administrator

By: /s/ T. Mitchell Hudson, Jr.
T. Mitchell Hudson, Jr.
Secretary,
Maritime Administration

Amendment No. 1 to Affiliate Guaranty - Relating to Amendment No. 1 to Contract No. MA-14454

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