

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-565

ALEXANDER & BALDWIN, INC.

(Exact name of registrant as specified in its charter)

Hawaii
(State or other jurisdiction of
incorporation or organization)

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

P. O. Box 3440, Honolulu, Hawaii
822 Bishop Street, Honolulu, Hawaii
(Address of principal executive offices)

96801
96813
(Zip Code)

(808) 525-6611
(Registrant's telephone number, including area code)

N/A
(Former name, former address, and former
fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Number of shares of common stock outstanding as of March 31, 2008: 41,302,543

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(In millions, except per-share amounts)

	Three Months Ended March 31,	
	<u>2008</u>	<u>2007</u>
Revenue:		
Operating revenue	\$ <u>582.1</u>	\$ <u>383.1</u>
Costs and Expenses:		
Costs of goods sold, services and rentals	484.4	307.2
Selling, general and administrative	<u>39.6</u>	<u>37.6</u>
Operating costs and expenses	<u>524.0</u>	<u>344.8</u>
Operating Income	58.1	38.3
Other Income and (Expense):		
Gain on insurance settlement	7.7	--
Equity in income of real estate affiliates	8.2	4.4
Interest income	0.4	1.0
Interest expense	<u>(6.1)</u>	<u>(4.3)</u>
Income Before Taxes	68.3	39.4
Income taxes	<u>26.6</u>	<u>15.4</u>
Income From Continuing Operations	41.7	24.0
Income From Discontinued Operations (net of income taxes)	<u>0.4</u>	<u>0.7</u>
Net Income	<u>\$ 42.1</u>	<u>\$ 24.7</u>
Basic Earnings Per Share:		
Continuing operations	\$ 1.01	\$ 0.56
Discontinued operations	<u>0.01</u>	<u>0.02</u>
Net income	<u>\$ 1.02</u>	<u>\$ 0.58</u>
Diluted Earnings Per Share:		
Continuing operations	\$ 1.00	\$ 0.56
Discontinued operations	<u>0.01</u>	<u>0.02</u>
Net income	<u>\$ 1.01</u>	<u>\$ 0.58</u>
Weighted Average Number of Basic Shares Outstanding	41.4	42.5
Weighted Average Number of Diluted Shares Outstanding	41.7	42.9

See Notes to Condensed Consolidated Financial Statements.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
Industry Segment Data, Net Income
(In millions)

	Three Months Ended	
	March 31,	
	<u>2008</u>	<u>2007</u>
Revenue:		
Transportation:		
Ocean transportation	\$ 243.0	\$ 231.6
Logistics services	102.6	102.9
Real Estate:		
Leasing	28.8	28.8
Sales	187.4	6.5
Less amounts reported in discontinued operations	(0.7)	(1.9)
Agribusiness	22.5	17.2
Reconciling Items	(1.5)	(2.0)
Total revenue	<u>\$ 582.1</u>	<u>\$ 383.1</u>
Operating Profit, Net Income:		
Transportation:		
Ocean transportation	\$ 15.9	\$ 18.8
Logistics services	4.7	5.6
Real Estate:		
Leasing	13.9	15.0
Sales	41.4	8.8
Less amounts reported in discontinued operations	(0.6)	(1.2)
Agribusiness	4.8	3.6
Total operating profit	<u>80.1</u>	<u>50.6</u>
Interest Expense	(6.1)	(4.3)
General Corporate Expenses	(5.7)	(6.9)
Income From Continuing Operations Before		
Income Taxes	68.3	39.4
Income Taxes	<u>26.6</u>	<u>15.4</u>
Income From Continuing Operations	41.7	24.0
Income From Discontinued Operations (net of income taxes)	<u>0.4</u>	<u>0.7</u>
Net Income	<u>\$ 42.1</u>	<u>\$ 24.7</u>

See Notes to Condensed Consolidated Financial Statements.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In millions)

	March 31, <u>2008</u>	December 31, <u>2007</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 95	\$ 17
Accounts and notes receivable, net	180	185
Inventories	38	21
Real estate held for sale	32	150
Deferred income taxes	11	11
Prepaid expenses and other assets	34	37
Total current assets	<u>390</u>	<u>421</u>
Investments	<u>181</u>	<u>184</u>
Real Estate Developments	<u>80</u>	<u>99</u>
Property, at cost	2,686	2,634
Less accumulated depreciation and amortization	<u>1,068</u>	<u>1,052</u>
Property – net	<u>1,618</u>	<u>1,582</u>
Pension Assets	81	80
Other Assets	<u>108</u>	<u>113</u>
Total	<u>\$ 2,458</u>	<u>\$ 2,479</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and current portion of long-term debt	\$ 141	\$ 57
Accounts payable	134	156
Other	98	109
Total current liabilities	<u>373</u>	<u>322</u>
Long-term Liabilities:		
Long-term debt	401	452
Deferred income taxes	466	468
Liability for employee benefit plans	50	50
Other	56	57
Total long-term liabilities	<u>973</u>	<u>1,027</u>
Commitments and Contingencies (Note 3)		
Shareholders' Equity:		
Capital stock	34	34
Additional capital	195	200
Accumulated other comprehensive loss	(4)	(4)
Retained earnings	898	911
Cost of treasury stock	(11)	(11)
Total shareholders' equity	<u>1,112</u>	<u>1,130</u>
Total	<u>\$ 2,458</u>	<u>\$ 2,479</u>

See Notes to Condensed Consolidated Financial Statements.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In millions)

	Three Months Ended March 31,	
	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities	<u>\$ 160</u>	<u>\$ 26</u>
Cash Flows from Investing Activities:		
Capital expenditures	(55)	(14)
Proceeds from disposal of property and other assets	1	6
Proceeds from insurance settlement related to 2005 casualty loss	8	--
Deposits into Capital Construction Fund	(6)	(10)
Withdrawals from Capital Construction Fund	5	8
Increase in investments	(11)	(4)
Reduction in investments	4	--
Net cash used in investing activities	<u>(54)</u>	<u>(14)</u>
Cash Flows from Financing Activities:		
Proceeds from issuances of long-term debt	110	50
Payments of long-term debt	(62)	(49)
Payments of short-term debt	(15)	--
Proceeds from issuances of capital stock, including excess tax benefit	1	2
Repurchase of capital stock	(50)	--
Dividends paid	(12)	(11)
Net cash used in financing activities	<u>(28)</u>	<u>(8)</u>
Net Increase in Cash and Cash Equivalents	<u>\$ 78</u>	<u>\$ 4</u>
Other Cash Flow Information:		
Interest paid, net of amounts capitalized	\$ (7)	\$ (4)
Income taxes refunded	\$ --	\$ 12
Other Non-cash Information:		
Depreciation and amortization expense	\$ 25	\$ 23
Tax-deferred property sales	\$ 1	\$ --
Tax-deferred property purchases	\$ (5)	\$ (12)

See Notes to Condensed Consolidated Financial Statements.

Alexander & Baldwin, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

- (1) The Condensed Consolidated Financial Statements are unaudited. Because of the nature of the Company's operations, the results for interim periods are not necessarily indicative of results to be expected for the year. While these condensed consolidated financial statements reflect all normal recurring adjustments that are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. Therefore, the interim Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's Annual Report filed on Form 10-K for the year ended December 31, 2007.
- (2) In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS No. 157"), which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. SFAS No. 157 does not require any new fair value measurements, but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements, and is effective for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff Position 157-2 which delays the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. These nonfinancial items include assets and liabilities such as reporting units measured at fair value in a goodwill impairment test and nonfinancial assets acquired and liabilities assumed in a business combination. Effective January 1, 2008, the Company adopted SFAS No. 157 for financial assets and liabilities recognized at fair value on a recurring basis. The partial adoption of SFAS No. 157 for financial assets and liabilities did not have a material impact on the Company's consolidated financial position, results of operations or cash flows. As of March 31, 2008, there were no material financial assets or liabilities recognized or measured at fair value on a recurring basis.
- (3) Commitments and Contingencies: Commitments and financial arrangements that are not recorded on the Company's consolidated balance sheet at March 31, 2008, other than operating lease obligations, included the following (in millions):

Guarantee of HS&TC debt	(a)	\$	--
Standby letters of credit	(b)	\$	17
Performance and customs bonds	(c)	\$	25
Benefit plan withdrawal obligations	(d)	\$	58

These amounts are not recorded on the Company's consolidated balance sheet and it is not expected that the Company or its subsidiaries will be called upon to advance funds under these commitments.

- (a) The Company is contingently liable for up to \$21.5 million based on a portion of amounts outstanding under a \$30 million Hawaiian Sugar & Transportation Cooperative (“HS&TC”) revolving credit line. This guarantee was issued before December 31, 2002 and, therefore, is not subject to the scope of FASB Interpretation No. 45 (“FIN 45”), “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others.” No amounts were borrowed under HS&TC’s facility at the end of the first quarter 2008.
- (b) Consists of letters of credit, totaling approximately \$17 million, which enable the Company to qualify as a self-insurer for state and federal workers’ compensation liabilities. This balance also includes approximately \$2 million of letters of credit related to certain of the Company’s real estate projects.
- (c) Consists of approximately \$13 million related to real estate construction projects in Hawaii, approximately \$11 million in U.S. customs bonds, and approximately \$1 million related to transportation and other matters.
- (d) Represents the withdrawal liabilities for multiemployer pension plans, in which Matson is a participant. The withdrawal liability aggregated approximately \$58 million as of the most recent valuation dates. Management has no present intention of withdrawing from, and does not anticipate termination of, any of the aforementioned plans.

Indemnity Agreements: For certain real estate joint ventures, the Company may be obligated under bond indemnities to complete construction of the real estate development if the joint venture does not perform. These indemnities are designed to protect the surety or lender. To date, none of these indemnities have been called upon. The Company accounts for these indemnities in accordance with FIN 45. The fair values of the liabilities recorded by the Company in connection with the indemnities were not material.

Completion Guarantees: For certain real estate joint ventures, the Company may be required to perform work to complete construction if the joint venture fails to complete construction. These guarantees are intended to assure the joint venture’s lender that the project will be completed as represented to the lender. To date, none of these guarantees have been called upon. The Company accounts for these completion guarantees in accordance with FIN 45. The fair values of the liabilities recorded by the Company in connection with the completion guarantees were not material.

Litigation: The Company and certain subsidiaries are parties to various legal actions and are contingently liable in connection with claims and contracts arising in the normal course of business, the outcome of which, in the opinion of management after consultation with legal counsel, will not have a material adverse effect on the Company’s financial position or results of operations.

(4) Earnings Per Share (“EPS”): The number of shares used to compute basic and diluted earnings per share is as follows (in millions):

	Quarter Ended	
	March 31,	
	<u>2008</u>	<u>2007</u>
Denominator for basic EPS - weighted average shares	41.4	42.5
Effect of dilutive securities:		
Employee/director stock options, non-vested common stock, and restricted stock units	0.3	0.4
Denominator for diluted EPS - weighted average shares	<u>41.7</u>	<u>42.9</u>

Basic earnings per share is computed based on the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued. Potentially dilutive shares of common stock include non-qualified stock options, non-vested common stock, and restricted stock units.

The computation of weighted average dilutive shares outstanding excluded non-qualified stock options to purchase 0.8 million and 0.2 million shares of common stock during the three months ended March 31, 2008 and 2007, respectively. These amounts were excluded because the options’ exercise prices were greater than the average market price of the Company’s common stock for the periods presented and, therefore, the effect would be anti-dilutive.

(5) Share-Based Compensation: The Company’s various stock option plans are more fully described in its most recent Form 10-K and in other filings with the Securities and Exchange Commission.

On January 30, 2008, the Company granted non-qualified stock options to purchase 479,840 shares of the Company’s common stock. The grant-date fair value of each stock option granted, using the Black-Scholes-Merton option pricing model, was \$7.85 using the following weighted average assumptions: volatility of 19.8%, risk-free interest rate of 3.1%, dividend yield of 2.6%, and expected term of 5.8 years.

Activity in the Company's stock option plans for the first quarter of 2008 was as follows (in thousands, except weighted average exercise price and weighted average contractual life):

	Employee Plans			Directors' Plans		Total Shares	Weighted Average Exercise Price	Weighted Average Contractual Life	Aggregate Intrinsic Value
	2007 Plan	1998 Plan	1989 Plan	1998 Directors' Plan	1989 Directors' Plan				
Outstanding, December 31, 2007	3	1,353	13	245	9	1,623	\$ 37.62		
Granted	480	--	--	--	--	480	\$ 45.38		
Exercised	--	--	(13)	--	(3)	(16)	\$ 28.24		
Forfeited and expired	--	(2)	--	--	--	(2)	\$ 49.44		
Outstanding, March 31, 2008	<u>483</u>	<u>1,351</u>	<u>--</u>	<u>245</u>	<u>6</u>	<u>2,085</u>	\$ 39.46	6.8	\$11,841
Exercisable March 31, 2008	<u>--</u>	<u>1,112</u>	<u>--</u>	<u>183</u>	<u>6</u>	<u>1,301</u>	\$ 35.17	5.3	\$11,786

The following table summarizes non-vested common stock and restricted stock unit activity through March 31, 2008 (in thousands, except weighted-average grant-date fair value amounts):

	Predecessor Plans Non-Vested Common Stock Shares	Weighted Average Grant-Date Fair Value	2007 Plan Restricted Stock Units	Weighted Average Grant-Date Fair Value
Outstanding December 31, 2007	371	\$ 47.74	18	\$ 54.20
Granted	--	\$ --	167	\$ 45.38
Vested	(273)	\$ 47.36	--	\$ --
Canceled	(2)	\$ 46.62	--	\$ --
Outstanding March 31, 2008	<u>96</u>	\$ 47.45	<u>185</u>	\$ 46.24

A portion of the above awards are time-based awards that vest ratably over three years. The remaining portion of the awards represents performance-based awards that vest after one year, provided certain performance targets are achieved.

A summary of compensation cost related to share-based payments is as follows (in millions):

	Quarter Ended March 31,	
	2008	2007
Share-based expense (net of estimated forfeitures):		
Stock options	\$ 0.8	\$ 0.8
Non-vested stock/Restricted stock units	<u>2.4</u>	<u>2.1</u>
Total share-based expense	3.2	2.9
Total recognized tax benefit	<u>(0.8)</u>	<u>(0.7)</u>
Share-based expense (net of tax)	<u>\$ 2.4</u>	<u>\$ 2.2</u>

- (6) Accounting for and Classification of Discontinued Operations: As required by Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), the sales of certain income-producing assets are classified as discontinued operations if (i) the operations and cash flows of the assets can be clearly distinguished from the remaining assets of the Company, (ii) the cash flows that are specific to the assets sold have been, or will be, eliminated from the ongoing operations of the Company, (iii) the Company will not have a significant continuing involvement in the operations of the assets sold, and (iv) the amount is considered material. Certain income-producing properties that are "held for sale," based on the likelihood and intention of selling the property within 12 months, are also presented as discontinued operations. Depreciation on these assets is discontinued upon reclassification. Sales of land, residential houses, and office condominium units are generally considered inventory and are not included in discontinued operations.

Discontinued operations for the first quarters of 2008 and 2007 were as follows (in millions):

	Quarter Ended March 31,	
	<u>2008</u>	<u>2007</u>
Discontinued Operations (net of tax)		
Sales of Assets	\$ 0.4	\$ --
Leasing Operations	--	0.7
Total	<u>\$ 0.4</u>	<u>\$ 0.7</u>

Leasing operations for the first quarter of 2007 has been restated to reflect properties that were classified as discontinued operations subsequent to March 31, 2007.

- (7) Other Comprehensive Income for the three months ended March 31, 2008 and 2007 was as follows (in millions):

	Quarter Ended March 31,	
	<u>2008</u>	<u>2007</u>
Net Income	\$ 42.1	\$ 24.7
Company's share of investee's minimum pension liability adjustment	--	0.1
Amortization of unrealized pension asset gain/loss	--	0.3
Change in valuation of derivative	--	0.1
Comprehensive Income	<u>\$ 42.1</u>	<u>\$ 25.2</u>

- (8) Pension and Post-retirement Plans: The Company has defined benefit pension plans that cover substantially all non-bargaining unit and certain bargaining unit employees. The Company also has unfunded non-qualified plans that provide benefits in excess of the amounts permitted to be paid under the provisions of the tax law to participants in qualified plans. The assumptions related to discount rates, expected long-term rates of return on invested plan assets, salary increases, age, mortality and health care cost trend rates, along with other factors, are used in determining the assets, liabilities and expenses associated with pension benefits. Management reviews the assumptions annually with its independent actuaries, taking into consideration

existing and future economic conditions and the Company's intentions with respect to these plans. Management believes that its assumptions and estimates for 2008 are reasonable. Different assumptions, however, could result in material changes to the assets, obligations and costs associated with benefit plans.

The components of net periodic benefit cost for the first quarters of 2008 and 2007 were as follows (in millions):

	<u>Pension Benefits</u>		<u>Post-retirement Benefits</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Service Cost	\$ 2.0	\$ 1.9	\$ 0.2	\$ 0.4
Interest Cost	4.6	4.3	0.7	1.0
Expected Return on Plan Assets	(7.9)	(6.7)	--	--
Amortization of Prior Service Cost	0.1	0.1	--	--
Amortization of Net (Gain) Loss	--	0.2	(0.3)	(0.1)
Net Periodic Benefit Cost (Income)	<u>\$ (1.2)</u>	<u>\$ (0.2)</u>	<u>\$ 0.6</u>	<u>\$ 1.3</u>

The total year 2008 net periodic pension income is expected to be approximately \$4.6 million. No contributions to the Company's pension plans are expected to be required during 2008.

- (9) **Insurance Settlement:** In the first quarter of 2008, the Company recognized \$7.7 million as a gain on insurance settlement upon receipt of a final payment for a casualty loss resulting from a 2005 fire which destroyed approximately half of the 100,000-square-foot Kahului Shopping Center ("Center") on Maui. Additionally, in the first quarter of 2008, the Company recognized \$1.4 million in real estate leasing revenue due to proceeds received under business interruption insurance coverage for the same fire.

Since the date of the fire that occurred in 2005, the Company has made progress on redeveloping the Center and adjacent space. The combined 19-acre area, designated Kahului Town Center, is expected to consist of 440 residential condominium units and 240,000 square feet of retail/office space. Permit approvals for Phase I (86,000 square feet of commercial space) are expected in 2008.

- (10) **Subsequent Events**

In April 2004, A&B filed a zoning change application with the County of Maui for the re-zoning of 179 acres in Kahului, Maui, representing the second phase of its Maui Business Park project, from agriculture to "Light Industrial." A bill approving the application was passed by the Maui County Council in April 2008, and has been forwarded to the Mayor for her approval.

On April 17, 2008, Matson Global Distribution Services ("MGDS") announced a multi-year contract with a worldwide leader in children's and family leisure time entertainment products and services to provide logistics, warehousing, and distribution services at the Company's Savannah Logistics Center.

On April 21, 2008, Matson was served with a grand jury subpoena from the U. S. District Court for the Middle District of Florida for documents relating to water carriage in connection with the Department of Justice's investigation into the pricing practices of carriers operating in the domestic trades. Matson understands that while the investigation currently is focused on the Puerto Rico trade, it also includes pricing practices in connection with all domestic trades, including the Alaska, Hawaii and Guam trades. Matson does not operate vessels in the Puerto Rico and Alaska trades. It does operate vessels in the Hawaii and Guam trades. Matson will cooperate fully with the Department of Justice. The Company is unable to estimate, at this time, the financial impact, if any, from this investigation.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following analysis of the consolidated financial condition and results of operations of Alexander & Baldwin, Inc. and its subsidiaries (collectively, the "Company") should be read in conjunction with the condensed consolidated financial statements and related notes thereto included in Item 1 of this Form 10-Q.

FORWARD-LOOKING STATEMENTS

The Company, from time to time, may make or may have made certain forward-looking statements, whether orally or in writing, such as forecasts and projections of the Company's future performance or statements of management's plans and objectives. These statements are "forward-looking" statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be contained in, among other things, Securities and Exchange Commission ("SEC") filings, such as the Forms 10-K, 10-Q and 8-K, the Annual Report to Shareholders, press releases made by the Company, the Company's Internet Web sites (including Web sites of its subsidiaries), and oral statements made by the officers of the Company. Except for historical information contained in these written or oral communications, such communications contain forward-looking statements. New risk factors emerge from time to time and it is not possible for the Company to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, forward-looking statements cannot be relied upon as a guarantee of future results and involve a number of risks and uncertainties that could cause actual results to differ materially from those projected in the statements, including, but not limited to, the factors that are described in Part I, Item 1A under the caption of "Risk Factors" of the Company's 2007 Annual Report on Form 10-K and in Part II, Item 1A under the caption of "Risk Factors" in this Form 10-Q. The Company is not required, and undertakes no obligation, to revise or update forward-looking statements or any factors that may affect actual results, whether as a result of new information, future events, or circumstances occurring after the date of this report.

OVERVIEW

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a discussion of the Company's financial condition, results of operations, liquidity and certain other factors that may affect its future results from the perspective of management. The discussion that follows is intended to provide information that will assist in understanding the changes in the Company's financial statements from period to period, the primary factors that accounted for those changes, and how certain accounting principles, policies and estimates affect the Company's financial statements. MD&A is provided as a supplement to the condensed consolidated financial statements and notes herein, and should be read in conjunction with the Company's Annual Report on Form 10-K as well as the Company's reports on Forms 10-Q and 8-K and other publicly available information.

MD&A is presented in the following sections:

- Business Overview
- Consolidated Results of Operations
- Analysis of Operating Revenue and Profit by Segment
- Liquidity and Capital Resources
- Business Outlook
- Other Matters

BUSINESS OVERVIEW

Alexander & Baldwin, Inc. (“A&B”), founded in 1870, is a multi-industry corporation headquartered in Honolulu that operates in five segments in three industries—Transportation, Real Estate, and Agribusiness.

Transportation: The Transportation Industry consists of ocean transportation and logistics service segments. The Ocean Transportation segment is an asset-based business that derives its revenue primarily through the carriage of containerized freight between various U.S. Pacific Coast, Hawaii, Guam, China and other Pacific island ports. Additionally, the Ocean Transportation segment has a 35 percent interest in an entity that provides terminal and stevedoring services at U.S. Pacific Coast facilities.

The Logistics Services segment is a non-asset based business that is a provider of domestic and international rail intermodal service (“Intermodal”), long-haul and regional highway brokerage, specialized hauling, flat-bed and project work, less-than-truckload, expedited/air freight services, and warehousing and distribution services (collectively “Highway”).

Real Estate: The Real Estate Industry consists of two segments, both of which have operations in Hawaii and on the U.S. mainland. The Real Estate Sales segment generates its revenues through the development and sale of land and commercial and residential properties. The Real Estate Leasing segment owns, operates, and manages retail, office, and industrial properties.

Agribusiness: Agribusiness, which contains one segment, produces bulk raw sugar, specialty food-grade sugars, and molasses; produces, markets, and distributes roasted coffee and green coffee; provides general trucking services, mobile equipment maintenance, and repair services; and generates and sells, to the extent not used in the Company’s operations, electricity.

CONSOLIDATED RESULTS OF OPERATIONS
Consolidated – First quarter of 2008 compared with 2007

(dollars in millions)	Quarter Ended March 31,		
	2008	2007	Change
Operating Revenue	\$ 582.1	\$ 383.1	52%
Operating Costs and Expenses	<u>524.0</u>	<u>344.8</u>	52%
Operating Income	58.1	38.3	52%
Other Income and (Expense)	<u>10.2</u>	<u>1.1</u>	9x
Income Before Taxes	68.3	39.4	73%
Income Taxes	(26.6)	(15.4)	73%
Discontinued Operations (net of income taxes)	<u>0.4</u>	<u>0.7</u>	-43%
Net Income	<u>\$ 42.1</u>	<u>\$ 24.7</u>	70%
Basic Earnings per Share	\$ 1.02	\$ 0.58	76%
Diluted Earnings per Share	\$ 1.01	\$ 0.58	74%

Consolidated operating revenue for the first quarter of 2008 increased \$199.0 million, or 52 percent, compared to the first quarter of 2007. This increase was principally due to \$180.2 million in higher revenue from real estate sales (excluding revenue from a property sale classified as discontinued operations) principally as a result of sales of 300 units at the Company's Keola La'i condominium project, \$11.4 million higher revenue for Ocean Transportation, and \$5.3 million in higher revenue for Agribusiness, partially offset by \$1.9 million in lower revenue from Real Estate Leasing (excluding leasing revenue from assets classified as discontinued operations). The reasons for the revenue growth are described below, by business segment, in the Analysis of Operating Revenue and Profit by Segment.

Operating costs and expenses for the first quarter of 2008 increased \$179.2 million, or 52 percent, compared to the first quarter of 2007. This increase was due principally to \$160.8 million of higher costs for the Real Estate Sales segment, primarily reflecting the cost of sales of units at the Company's Keola La'i condominium project, \$12.2 million increase in cost primarily related to fuel for the Ocean Transportation segment, \$4.1 million of higher bulk raw sugar and power costs for the Agribusiness segment, and \$2.0 million higher general and administrative costs, principally related to professional fees. The reasons for the operating cost and expense changes are described below, by business segment, in the Analysis of Operating Revenue and Profit by Segment.

Other income and (expense) increased \$9.1 million, primarily due to a final insurance payout of \$7.7 million related to a 2005 fire at Kahului Shopping Center, \$3.8 million of higher joint venture earnings in the first quarter of 2008 principally as a result of sales at the Company's Kai Malu and Centre Pointe joint ventures, partially offset by \$1.8 million in higher interest expense resulting from higher average debt balances.

Income taxes increased by \$11.2 million, principally due to higher income. The effective tax rate for the first quarter of 2008 was comparable to the first quarter of 2007.

TRANSPORTATION INDUSTRY

Ocean Transportation – First quarter of 2008 compared with 2007

(dollars in millions)	Quarter Ended March 31,		
	2008	2007	Change
Revenue	\$ 243.0	\$ 231.6	5%
Operating profit	\$ 15.9	\$ 18.8	-15%
Operating profit margin	6.5%	8.1%	
Volume (Units)			
Hawaii containers	37,900	40,700	-7%
Hawaii automobiles	25,600	22,900	12%
China containers	11,700	11,700	--%
Guam containers	3,400	3,400	--%

Ocean Transportation revenue increased 5 percent, or \$11.4 million, to \$243.0 million in the first quarter of 2008 compared with the first quarter of 2007. The revenue increase was due principally to \$21.8 million in higher fuel surcharges and favorable yields and cargo mix, partially offset by a decrease in revenue due to reduced Hawaii container volumes. Total Hawaii container volume in the first quarter of 2008 relative to the first quarter of 2007 was impacted by reduced shipments in the lower-margin building materials segment, the shutdown of canned pineapple operations in Hawaii that impacted eastbound cargo, and more generally, to a moderation in the rate of growth of the Hawaii economy. Matson's automobile volume for the quarter was 12 percent higher than the first quarter last year, due principally to the timing of automobile rental fleet replacement activity.

Ocean Transportation's operating profit decreased 15 percent, or \$2.9 million, to \$15.9 million in the first quarter of 2008 compared with the first quarter of 2007. This decrease in operating profit was primarily the result of the following operating expense changes, which offset revenue increases. Direct and indirect fuel costs increased \$16.0 million and terminal handling costs increased \$4.0 million. These increases were partially offset by \$3.0 million lower equipment repositioning costs and \$1.9 million lower charter costs. Average bunker fuel costs increased 60 percent to \$77.58 per barrel in the first quarter of 2008 compared with \$48.36 per barrel in the first quarter of 2007.

(dollars in millions)	Quarter Ended March 31,		
	2008	2007	Change
Intermodal revenue	\$ 65.0	\$ 65.7	-1%
Highway revenue	37.6	37.2	1%
Total Revenue	\$ 102.6	\$ 102.9	--%
Operating profit	\$ 4.7	\$ 5.6	-16%
Operating profit margin	4.6%	5.4%	

Logistics services revenue decreased \$0.3 million to \$102.6 million in the first quarter of 2008 compared with the first quarter of 2007. This decrease principally reflected a 7 percent decline in total Intermodal and Highway volumes that was largely offset by higher rates.

Logistics services operating profit decreased 16 percent, or \$0.9 million, to \$4.7 million in the first quarter of 2008 compared with the first quarter of 2007. The operating profit margin decrease was principally due to higher general and administrative expenses and lower volumes that were partially offset by higher yields.

REAL ESTATE INDUSTRY

Real estate leasing and sales revenue and operating profit are analyzed before subtracting amounts related to discontinued operations. This is consistent with how the Company's chief operating decision maker evaluates and makes decisions regarding capital allocation for the Company's real estate businesses. A discussion of discontinued operations for the real estate business is included separately.

Effect of Property Sales Mix on Operating Results: Direct year-over-year comparison of the real estate sales results may not provide a consistent, measurable barometer of future performance because results from period to period are significantly affected by joint venture income and the mix of property sales. Operating results, by virtue of each project's asset class, geography, and timing, are inherently episodic. Earnings from joint venture investments are not included in segment revenue, but are included in operating profit. The mix of real estate sales in any year or quarter can be diverse and can include developed residential real estate, commercial properties, developable subdivision lots, undeveloped land, and property sold under threat of condemnation. The sale of undeveloped land and vacant parcels in Hawaii generally provides a greater contribution to earnings than does the sale of developed and commercial property, due to the low historical-cost basis of the Company's Hawaii land. Consequently, real estate sales revenue trends, cash flows from the sales of real estate, and the amount of real estate held for sale on the balance sheets do not necessarily indicate future profitability trends for this segment. Additionally, the operating profit reported in each quarter does not necessarily follow a percentage of sales trends because the cost basis of property sold can differ significantly between transactions. The reporting of real estate sales is also affected by the classification of certain real estate sales as discontinued operations.

Real Estate Leasing – First quarter of 2008 compared with 2007

(dollars in millions)	Quarter Ended March 31,		
	2008	2007	Change
Revenue	\$ 28.8	\$ 28.8	--%
Operating profit	\$ 13.9	\$ 15.0	-7%
Operating profit margin	48.3%	52.1%	
Occupancy Rates:			
Mainland*	96%	97%	-1%
Hawaii	98%	98%	--%
Leasable Space (million sq. ft.):			
Mainland*	5.2	3.9	33%
Hawaii	1.4	1.5	-7%

* Excludes Savannah Logistics Center (approximately 1.0 million sq. ft.), which had not been placed into service as of March 31, 2008

Real estate leasing revenue for the first quarter of 2008, before subtracting amounts presented as discontinued operations, was unchanged from 2007. Revenue in 2008 included a final \$1.4 million business interruption insurance payment for a 2005 fire at Kahului Shopping Center and \$0.6 million in higher revenue attributable to the net increase in leased properties. These increases were offset by \$1.7 million of nonrecurring items recorded in 2007 and lower mainland occupancy.

Operating profit for the first quarter of 2008, before subtracting amounts presented as discontinued operations, was 7 percent lower than 2007, primarily due to higher operating expenses, principally higher depreciation. Depreciation expense increased primarily due to the sale of land, ground lease to a retail tenant, in 2007 and the subsequent tax-deferred reinvestment of proceeds in depreciable commercial property. Operating profit also decreased due to lower mainland occupancy.

Leasable space increased by 1.2 million square feet in the first quarter of 2008 compared with the first quarter of 2007, due principally to the acquisition of Heritage Business Park ("Heritage"), a seven-building industrial property in Dallas, Texas, on November 1, 2007. In February 2008, the Company acquired Savannah Logistics Center, an industrial facility in Savannah, Georgia, that contains 1.0 million square feet of warehouse space. The Company plans to construct additional improvements to the facility and, accordingly, had not placed the facility into service as of March 31, 2008.

Real Estate Sales –First quarter of 2008 compared with 2007

(dollars in millions)	Quarter Ended March 31,		
	2008	2007	Change
Development sales	\$ 186.5	\$ --	
Unimproved/other property sales	0.9	6.5	
Total revenue	\$ 187.4	\$ 6.5	29x
Operating profit before joint ventures	\$ 25.5	\$ 4.4	6x
Gain on insurance settlement	7.7	--	NM
Earnings from joint ventures	8.2	4.4	2x
Total operating profit	\$ 41.4	\$ 8.8	5x

2008 First Quarter: Revenue from real estate sales was \$187.4 million. Real estate sales revenue included \$186.5 million from the closing of 300 Keola La'i condominium residential units on Oahu and 19 Keala'ula single-family homes on Kauai. Real estate sales revenue also included the sale of a Maui commercial leased fee property. Earnings from joint venture investments are not included in segment revenue, but are included in operating profit. In addition to the sales described above, real estate sales operating profit for the first quarter of 2008 included joint venture income of \$8.2 million, principally related to sales at the Company's Kai Malu residential joint venture development on Maui and the partial sale of several buildings at the Company's Centre Pointe retail/office joint venture development in Valencia, California. Real estate sales operating profit also included a final \$7.7 million insurance payment for the 2005 fire at Kahului Shopping Center.

2007 First Quarter: Revenue from real estate sales was \$6.5 million. Sales principally included \$5.9 million related to a final payment on an installment sale of an agricultural parcel on Kauai. Joint venture income of \$4.4 million for the quarter principally related to sales at the Company's Kai Malu residential joint venture development project on Maui.

Real Estate Discontinued Operations – First quarter of 2008 compared with 2007

Revenue and operating profit related to discontinued operations for the first quarter of 2008 were as follows:

(dollars in millions, before tax)	Quarter Ended March 31,	
	2008	2007
Sales revenue	\$ 0.7	\$ --
Leasing revenue	\$ --	\$ 1.9
Sales operating profit	\$ 0.6	\$ --
Leasing operating profit	\$ --	\$ 1.2

The leasing revenue and operating profit for the first quarter of 2007 have been restated to reflect property that was classified as discontinued operations subsequent to March 31, 2007. There were no unsold properties that were classified as discontinued operations at the end of the 2008 first quarter.

AGRIBUSINESS INDUSTRY

Agribusiness – First quarter of 2008 compared with 2007

(dollars in millions)	Quarter Ended March 31,		
	2008	2007	Change
Revenue	\$ 22.5	\$ 17.2	31%
Operating profit	\$ 4.8	\$ 3.6	33%
Operating profit margin	21.3%	20.9%	
Tons sugar produced	14,200	9,200	54%

Agribusiness revenue increased 31 percent, or \$5.3 million, to \$22.5 million in the first quarter of 2008 compared with the first quarter of 2007, due principally to \$2.8 million higher power revenue resulting from higher prices and volumes as well as \$2.3 million from higher raw sugar and specialty sugar sales volumes. Operating profit increased 33 percent, or \$1.2 million, to \$4.8 million in the first quarter of 2008 due to higher power sales prices and volumes, partially offset by \$1.8 million in lower sugar margins. Sugar production was higher in the first quarter of 2008 compared with the first quarter of 2007 because of an increase in acres harvested, partially offset by lower yields. Total year-over-year production volume is expected to remain stable.

The operating results of the Agribusiness segment are highly dependent on a number of factors, including seasonality and weather conditions. Weather conditions represent one of the most important factors affecting operating results because weather affects yields, volume of electricity generation, plantings, harvesting, and factory operations. Consequently, operating results from the Agribusiness segment will vary from period to period.

LIQUIDITY AND CAPITAL RESOURCES

Overview: Cash flows provided by operating activities continue to be the Company's primary source of liquidity. Additional sources of liquidity were provided by available cash and cash equivalent balances as well as borrowings on available credit facilities.

Cash Flows: Cash Flows from Operating Activities totaled \$160 million for the first quarter of 2008, compared with \$26 million for the first quarter of 2007. This increase was due principally to proceeds received from the sales of condominium units at the Company's Keola La'i development.

Cash Flows used in Investing Activities totaled \$54 million for the first quarter of 2008, compared with \$14 million used in the first quarter of 2007. This increase was due principally to the acquisition of Savannah Logistics Center for approximately \$48 million (with approximately \$5 million funded with tax-deferred proceeds) and additional investments in joint ventures, partially offset by distributions from the Company's Centre Pointe joint venture and higher proceeds from disposal of assets in 2007. The \$43 million of cash used for the purchase of Savannah Logistics Center is expected to be reimbursed with tax-deferred proceeds under one or more reverse 1031 exchanges.

Capital expenditures for the first quarter of 2008 totaled \$55 million compared with \$14 million for the first quarter of 2007. The 2008 expenditures included \$46 million related to real estate related

acquisitions, development and property improvements, \$4 million for the purchase of transportation-related assets, and \$5 million related to Agribusiness operations. The 2008 amounts reported in Capital Expenditures on the Condensed Consolidated Statement of Cash Flows excluded \$5 million of tax-deferred purchases. The 2007 expenditures included \$7 million for the purchase of transportation-related assets, \$3 million for real estate related acquisitions, development and property improvements, and \$4 million related to agricultural operations. The \$14 million reported in Capital Expenditures on the Condensed Consolidated Statement of Cash Flows for 2007 excluded \$12 million of tax-deferred purchases since the Company did not actually take control of the cash during the exchange period.

Cash Flows used in Financing Activities totaled \$28 million for the first quarter 2008 compared with \$8 million used in the first quarter of 2007. This increase was principally related to share repurchases totaling approximately \$50 million in the first quarter of 2008, partially offset by an increase in debt balances by \$33 million in 2008.

The Company believes that funds generated from results of operations, available cash and cash equivalents, and available borrowings under credit facilities will be sufficient to finance the Company's business requirements for the next fiscal year, including working capital, capital expenditures, dividends, and potential acquisitions and stock repurchases. There can be no assurance, however, that the Company will continue to generate cash flows at or above current levels or that it will be able to maintain its ability to borrow under its available credit facilities.

Sources of Liquidity: Funds generated by operating activities continue to be the Company's most significant source of liquidity. Additional sources of liquidity for the Company, consisting of cash and cash equivalents, receivables, and sugar and coffee inventories, totaled \$298 million at March 31, 2008, an increase of \$87 million from December 31, 2007. The increase was due primarily to \$78 million of higher cash and cash equivalent balances, principally from the sale of condominium units at the Company's Keola La'i development, and \$14 million in higher sugar and coffee inventories, partially offset by a \$5 million decrease in receivable balances.

The Company also has various revolving credit and term facilities that provide additional sources of liquidity for working capital requirements or investment opportunities on a short-term as well as longer-term basis. Total debt was \$542 million as of March 31, 2008 compared with \$509 million at the end of 2007. The increase in debt was primarily due to borrowings for share repurchases and capital expenditures. As of March 31, 2008, available capacity under these facilities totaled \$364 million.

Balance Sheet: Working capital was \$17 million at March 31, 2008, a decrease of \$82 million from the balance at the end of 2007. The decrease in working capital was due primarily to a \$118 million decrease in Real Estate Held for Sale resulting from sales of condominium units at the Company's Keola La'i development and a \$84 million increase in current debt balances due primarily to share repurchases that occurred during the quarter. The decrease to working capital was partially offset by a \$78 million increase in cash balances, principally from sales at the Company's Keola La'i development, and a \$22 million reduction in accounts payable balances. Higher cash and debt balances were temporarily maintained due to positive interest spreads. Subsequent to the quarter, approximately \$75 million in debt classified as current was paid off.

Tax-Deferred Real Estate Exchanges: *Sales* – During the first quarter of 2008, \$0.7 million of proceeds from one leased to fee sale qualified for potential tax-deferral treatment under the Internal Revenue Code Section 1031.

Purchases – During the first quarter of 2008, the Company utilized \$5.2 million in proceeds from tax deferred sales to purchase a 1.04 million square-foot, two-building industrial facility in Savannah, Georgia for a purchase price of \$48 million. The remainder of the purchase price is intended to be funded with tax-deferred proceeds under one or more reverse 1031 exchanges.

The proceeds from 1031 tax-deferred sales are held in escrow pending future use to purchase new real estate assets. The proceeds from 1033 condemnations are held by the Company until the funds are redeployed. As of March 31, 2008, there were no proceeds from tax-deferred sales that had not been reinvested.

The funds related to 1031 transactions are not included in cash flows from investing activities in the Condensed Consolidated Statement of Cash Flows but are disclosed as non-cash activities. For “reverse 1031” transactions, the Company purchases a property in anticipation of receiving funds from a future property sale. Funds used for reverse 1031 purchases are included as capital expenditures on the Condensed Consolidated Statement of Cash Flows and the related sales of property, for which the proceeds are linked, are included as property sales in the Statement.

Commitments, Contingencies and Off-balance Sheet Arrangements: On April 21, 2008, Matson was served with a grand jury subpoena from the U. S. District Court for the Middle District of Florida for documents relating to water carriage in connection with the Department of Justice's investigation into the pricing practices of carriers operating in the domestic trades. Matson understands that while the investigation currently is focused on the Puerto Rico trade, it also includes pricing practices in connection with all domestic trades, including the Alaska, Hawaii and Guam trades. Matson does not operate vessels in the Puerto Rico and Alaska trades. It does operate vessels in the Hawaii and Guam trades. Matson will cooperate fully with the Department of Justice. The Company is unable to estimate, at this time, the financial impact, if any, from this investigation.

A description of other commitments, contingencies, and off-balance sheet arrangements at March 31, 2008 is included in Note 3 to the financial statements of Item 1 in this Form 10-Q.

BUSINESS OUTLOOK

The Company operates in multiple industries in domestic and international markets, and its operations are increasingly impacted by regional, national and international economic and market trends. However, a majority of the Company's operations are centered in Hawaii and the Company's performance is therefore heavily influenced by the fundamentals of the Hawaii economy, which has moderated in early 2008 due to a number of factors, including: a general economic slowdown in the U.S. domestic economy, reduction in housing sector activity, and sustained, extraordinarily high fuel prices, which dampen general business activity.

In addition to the factors above, there has been a significant contraction in air lift capacity to Hawaii stemming from the early April shutdown of two primary air carriers to Hawaii, Aloha Airlines and ATA. As a result, tourism levels have temporarily dropped. While this market disruption continues, the Company expects that tourism, and the attendant business activity surrounding the delivery of services to tourists, will impact the Hawaii economy as a whole, which generally affects the Company's Ocean Transportation container volume levels.

The Company's short-term and long-term strategic plan to address the macro-economic headwinds is to grow its asset base, earnings streams and cash flow generation prospects by leveraging its core competencies. In 2008, the Company will focus on continued investments in real estate leasing assets, pursuit of new real estate development opportunities, expansion of Matson Integrated Logistics ("MIL") into new service lines and geographies through acquisitions, expansion of third-party logistics services at Matson Global Distribution Services ("MGDS") through new customer contracts, and continuing margin growth in Matson's service from China.

Transportation: Matson's financial performance in the Hawaii service is directly impacted by the strength of Hawaii's economy, which, as noted above, has moderated. The Company currently believes that its container volumes in Hawaii are therefore likely to be lower than prior year levels. As a result, the Company will continue to pursue cost-containment and cost-cutting measures consistent with any decline in volumes, while still ensuring high standards of service delivery.

The Company's China service was effectively full for 2007 and into the first quarter of 2008, which will limit year-over-year volume growth. However, the Company expects to realize gains in the rate structure of its highly-regarded China service as annual contracts are renewed in May and June. The Company also is hopeful that a fuel recovery mechanism may be implemented during this contract cycle, in either the base rate or as an adjustable fuel charge, which will mitigate the impact of high fuel cost levels and enhance the profitability of this trade lane.

Matson Integrated Logistics is forecast to produce earnings growth in 2008 through the capture of new business opportunities, extension of its product offerings, and expansion of its service area coverage. These growth initiatives are expected to mitigate the impact of modest, industry-wide volume contraction. MGDS will continue to pursue its strategic goal of becoming a full-service, third-party logistics company, and it is noteworthy that MGDS recently signed a multi-year contract with a major toy manufacturer at the Company's Savannah, Georgia facility. This contract furthers MIL's progress toward its growth objectives and provides earnings momentum for future years.

Real Estate: The strong first quarter 2008 results for the real estate sales segment were attributable principally to the success of the Company's Keola La'i residential development. Despite these favorable results, the Hawaii residential real estate markets may continue to soften, which could further impact sales and closing velocity at on-going developments. Should fewer sales materialize in 2008 and reduce cash available for construction activity, the Company may be required to increase its previously reported capital commitments.

Commercial real estate markets nationwide have been impacted, starting from late 2007, by capital market shifts and moderation in occupancy and tenancy strength. However, the Company's occupancy levels remained strong in the first quarter of 2008, with only a modest impact felt on the Company's commercial real estate portfolio on the U.S. Mainland. The Company does expect that commercial property-level operating costs will increase. These costs, to the extent that they cannot be passed on to tenants, could modestly affect the operating margins for the Leasing segment.

In addition to development sales, the Company regularly makes dispositions of properties from its commercial portfolio when it believes the value of an individual property has been maximized. This allows the Company to capture embedded value created by its property and asset management efforts and provides investment capital for redeployment through efficient tax-deferred 1031 exchanges. In

2008, several dispositions are expected, but the number of dispositions and the prices at which these dispositions materialize could be affected by the factors cited above.

Agribusiness: The Company's Agribusiness operations are comprised of sugar and coffee operations, both of which have power generation capability, trucking service companies and related business service companies. Higher fuel prices provide opportunity for increased revenue from power generation, which serves as a natural hedge against the impact of rising fuel costs in the Agribusiness segment. At the Company's Hawaiian Commercial & Sugar Company ("HC&S") operations, production levels are expected to remain at low levels in 2008, resulting in, at best, breakeven performance for the segment.

In addition to the economic and market information presented above, there are two primary sources of periodic economic forecasts for the state of Hawaii; the University of Hawaii Economic Research Organization (UHERO) and the state's Department of Business, Economic Development & Tourism (DBEDT).

OTHER MATTERS

Share Repurchases: During the first quarter of 2008, the Company repurchased 1,124,449 shares at an average price of \$44.24 through open market purchases. The repurchases were made under an October 2006 share authorization that expires December 31, 2008. As of March 31, 2008, 2,203,823 shares remained available for repurchase, including 203,823 shares subject to an authorization that expires December 31, 2008 and 2 million shares subject to an authorization that expires December 31, 2009.

Dividends: The Company's first quarter dividend of \$0.29 per share to shareholders was paid on March 6, 2008 to shareholders of record on February 15, 2008. On April 23, 2008, the Company's Board of Directors authorized a 9 percent increase in the quarterly dividend from \$0.29 per share to \$0.315 per share, effective in the second quarter of 2008. The second quarter dividend is payable on June 5, 2008 to shareholders of record as of the close of business on May 8, 2008.

Significant Accounting Policies: The Company's significant accounting policies are described in Note 1 to the consolidated financial statements included in Item 8 of the Company's 2007 Form 10-K.

Critical Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, upon which the Management's Discussion and Analysis is based, requires that management exercise judgment when making estimates and assumptions about future events that may affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty and actual results will, inevitably, differ from those critical accounting estimates. These differences could be material. The most significant accounting estimates inherent in the preparation of A&B's financial statements were described in Item 7 of the Company's 2007 Form 10-K.

Officer and Management Changes: The following management changes were effective between January 1, 2008 and April 30, 2008.

Frank E. Kiger was promoted to general manager, Hawaiian Commercial & Sugar Company (HC&S), effective January 1, 2008.

Gary J. North, senior vice president, Matson Navigation Company, Inc., and executive vice president, Matson Terminals, Inc., retired effective April 1, 2008.

Vic S. Angoco, Jr. was promoted to vice president, Matson Navigation Company, Inc., effective March 1, 2008, and executive vice president, Matson Terminals, Inc., effective April 1, 2008.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information concerning market risk is incorporated herein by reference to Item 7A of the Company's Form 10-K for the fiscal year ended December 31, 2007. There has been no material change in the quantitative and qualitative disclosures about market risk since December 31, 2007.

ITEM 4. CONTROLS AND PROCEDURES

- (a) Disclosure Controls and Procedures. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.
- (b) Internal Control Over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 1. LEGAL PROCEEDINGS

In connection with the four streams in West Maui, on March 13, 2008, the Commission on Water Resource Management of the State of Hawaii (the "Water Commission"), acting on a petition filed by the two organizations that had earlier filed the petition to amend the interim instream flow standards for the streams, designated the four streams as a surface water management area. As a water management area, all withdrawals from the streams require a permit from the Water Commission. Existing users of the water from the four streams, including the Company, as well potential users, will have a year to apply to the Water Commission for a permit to use the water, with priority being given to existing users. This surface water management area designation, a first for the Water Commission—in the past, the Water Commission has designated only ground water management areas—is complicated by the fact that the Water Commission is also hearing a petition to amend the interim instream flow standards for the four streams, as described in the Company's 2007 Form 10-K, which could result in water being returned to the streams. Action on the permit applications by the Water Commission is not expected until the second half of 2009 at the earliest.

In connection with the complaint filed by the Shipbuilders Council of America, Inc. and Pasha Hawaii Transport Lines LLC against the U.S. Department of Homeland Security, the U.S. Coast Guard and the National Vessel Documentation Center, the government defendants filed a motion to dismiss the complaint on February 28, 2008. A decision is not expected earlier than June 2008.

In a separate but related matter, the same plaintiffs asked the U.S. Department of Transportation Maritime Administration ("Marad") to investigate the continued eligibility of nine of Matson's vessels, including the three C-9 vessels, to participate in the Capital Construction Fund ("CCF") and cargo preference programs as a result of modifications performed, or to be performed, in foreign shipyards. On March 18, 2008, Marad issued an opinion and order in which it confirmed the continued eligibility of Matson's fleet for participation in the CCF and requested further information from Matson in order to confirm the continued eligibility of two Matson vessels to participate in the cargo preference program. Matson is in the process of providing Marad with the necessary information.

On April 21, 2008, Matson was served with a grand jury subpoena from the U. S. District Court for the Middle District of Florida for documents relating to water carriage in connection with the Department of Justice's investigation into the pricing practices of carriers operating in the domestic trades. Matson understands that while the investigation currently is focused on the Puerto Rico trade, it also includes pricing practices in connection with all domestic trades, including the Alaska, Hawaii and Guam trades. Matson does not operate vessels in the Puerto Rico and Alaska trades. It does operate vessels in the Hawaii and Guam trades. Matson will cooperate fully with the Department of Justice.

ITEM 1A. RISK FACTORS

The Company is subject to, and may in the future be subject to, disputes, legal or other proceedings, or government inquiries or investigations, that could have an adverse effect on the Company.

The nature of the Company's business exposes it to the potential for disputes, legal or other proceedings, or government inquiries or investigations, relating to labor and employment matters, personal injury and property damage, environmental matters, construction litigation, and other matters, as discussed in the other risk factors disclosed in the Company filings with the SEC. In addition, Matson is a common carrier, whose tariffs, rates, rules and practices in dealing with its customers are governed by extensive and complex foreign, federal, state and local regulations, which may be the subject of disputes or administrative and/or judicial proceedings. These disputes, individually or collectively, could harm the Company's business by distracting its management from the operation of its business. If these disputes develop into proceedings, these proceedings, individually or collectively, could involve or result in significant expenditures or losses by the Company, or result in significant changes to Matson's tariffs, rates, rules and practices in dealing with its customers, all of which could have an adverse effect on the Company's future operating results, including profitability, cash flows, and financial condition. For a description of significant legal proceedings involving the Company, including a grand jury subpoena served on Matson on April 21, 2008, see "Legal Proceedings" in the Company filings with the SEC.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
Jan 1 - 31, 2008	1,157,364 (1)	\$44.21	1,047,169	2,281,103
Feb 1 - 28, 2008	82,346 (1)	\$44.98	77,280	2,203,823
Mar 1 - 31, 2008	2,086 (1)	\$42.81	--	--

- (1) Includes open market share repurchases and shares accepted in satisfaction of the exercise price of stock options or tax withholding obligations upon option exercises or the vesting of non-vested common stock and restricted stock units.
- (2) On January 31, 2008, the Board of Directors authorized A&B to repurchase up to 2 million additional shares of its common stock, and at March 31, 2008, 2 million shares remained available for repurchase. This new authorization will expire on December 31, 2009. Previously, in October 2006, the Board of Directors authorized A&B to purchase 2 million shares through December 31, 2008. As of March 31, 2008, 203,823 shares remained available under this authorization.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Annual Meeting of Shareholders of the Company held on April 24, 2008, the Company's shareholders voted in favor of: (i) the election of nine directors to the Company's Board of Directors and (ii) the ratification of the appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm. The number of votes for, against or withheld, as well as the number of abstentions and broker non-votes, as to each matter voted upon at the Annual Meeting of Shareholders, were as follows:

(i) Election of Directors	For	Withheld	Broker Non-Votes
W. Blake Baird	35,949,778	316,690	--
Michael J. Chun	34,303,945	1,962,523	--
W. Allen Doane	35,918,337	348,131	--
Walter A. Dods, Jr.	34,188,623	2,077,845	--
Charles G. King	34,171,037	2,095,431	--
Constance H. Lau	35,795,319	471,149	--
Douglas M. Pasquale	35,951,412	315,056	--
Maryanna G. Shaw	34,298,713	1,967,755	--
Jeffrey N. Watanabe	35,796,640	469,828	--

(ii) Ratification of Appointment of Independent Registered Public Accounting Firm	For	Against	Abstain	Broker Non-Votes
	36,004,871	118,602	142,994	--

ITEM 5. OTHER INFORMATION

On April 29, 2008, to allow The Dun & Bradstreet Corporation ("D&B") to properly provide a credit rating for Matson's subsidiaries, Matson released certain summarized financial information relating to the periods ended December 28, 2007, December 29, 2006, and December 30, 2005, respectively. The information provided to D&B is made available to its subscribers. This information is furnished herewith as Exhibit 99.1.

ITEM 6. EXHIBITS

10.a.(xii) First Amendment to Credit Agreement, dated March 7, 2008, between Alexander & Baldwin, Inc. and First Hawaiian Bank, Bank of America, N.A., Wells Fargo Bank, National Association, BNP Paribas, American Savings Bank, F.S.B., and Bank of Hawaii.

10.a.(xxi) Second Amendment to Credit Agreement, dated March 7, 2008, between Matson Navigation Company, Inc. and First Hawaiian Bank, Bank of America, N.A., Wells Fargo Bank, National Association, BNP Paribas, American Savings Bank, F.S.B., and Bank of Hawaii.

- 10.b.1.(xxxv) Form of Restricted Stock Unit Award Agreement (Deferral Election) for Non-Employee Board Member pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(xxxvi) Deferral Election Form for Restricted Stock Unit Award for Non-Employee Board Member pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(xxxvii) Form of Restricted Stock Unit Award Agreement (No Deferral Election) for Non-Employee Board Member pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(xlv) Form of Notice of Grant of Stock Option pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(xlvi) Form of Executive Stock Option Agreement pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(xlvii) Form of Notice of Award of Time-Based Restricted Stock Units pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(xlviii) Form of Executive Time-Based Restricted Stock Unit Award Agreement pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(xlix) Form of Notice of Award of Performance-Based Restricted Stock Units pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(l) Form of Executive Performance-Based Restricted Stock Unit Award Agreement pursuant to the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan.
- 10.b.1.(liv) A&B Executive Survivor/Retirement Benefit Plan, amended and restated effective February 27, 2008.
- 31.1 Certification of Chief Executive Officer, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.1 Summarized financial information for Matson Navigation Company, Inc. as of December 28, 2007, December 29, 2006, and December 30, 2005.

SIGNATURES

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

ALEXANDER & BALDWIN, INC.

(Registrant)

Date: April 30, 2008

/s/ Christopher J. Benjamin

Christopher J. Benjamin
Senior Vice President,
Chief Financial Officer and Treasurer

Date: April 30, 2008

/s/ Paul K. Ito

Paul K. Ito
Vice President, Controller and
Assistant Treasurer

EXHIBIT INDEX

- 10.a.(xii) First Amendment to Credit Agreement, dated March 7, 2008, between Alexander & Baldwin, Inc. and First Hawaiian Bank, Bank of America, N.A., Wells Fargo Bank, National Association, BNP Paribas, American Savings Bank, F.S.B., and Bank of Hawaii.
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- 99.1 Summarized financial information for Matson Navigation Company, Inc. as of December 28, 2007, December 29, 2006, and December 30, 2005.

CERTIFICATION

I, W. Allen Doane, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alexander & Baldwin, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ W. Allen Doane
W. Allen Doane, Chairman, President and
Chief Executive Officer

Date: April 30, 2008

CERTIFICATION

I, Christopher J. Benjamin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alexander & Baldwin, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ Christopher J. Benjamin
Christopher J. Benjamin, Senior Vice President,
Chief Financial Officer and Treasurer

Date: April 30, 2008

**Certification of Chief Executive Officer and
Chief Financial Officer Pursuant to
18 U.S.C. Section 1350, As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Alexander & Baldwin, Inc. (the "Company") for the quarterly period ended March 31, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), W. Allen Doane, as Chairman, President and Chief Executive Officer of the Company, and Christopher J. Benjamin, as Senior Vice President, Chief Financial Officer and Treasurer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ W. Allen Doane

Name: W. Allen Doane
Title: Chairman, President and Chief Executive Officer
Date: April 30, 2008

/s/ Christopher J. Benjamin

Name: Christopher J. Benjamin
Title: Senior Vice President, Chief Financial Officer and Treasurer
Date: April 30, 2008

ALEXANDER & BALDWIN, INC.
RESTRICTED STOCK UNIT AWARD AGREEMENT
NON-EMPLOYEE BOARD MEMBER—DEFERRAL ELECTION

RECITALS

A. The Corporation has implemented an Automatic Grant Program under the Plan pursuant to which eligible non-employee members of the Board will automatically receive special awards of restricted stock units on the date of each annual stockholders' meeting over the Board members' period of Board service in order to provide such individuals with a meaningful incentive to continue to serve as members of the Board.

B. Participant is an eligible non-employee Board member, and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the automatic award of restricted stock units under the Plan.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Restricted Stock Units.** The Corporation hereby awards to Participant, as of the Award Date, an award (the "Award") of restricted stock units under the Plan. Each restricted stock unit represents the right to receive one share of Common Stock on the vesting date of that unit. The number of shares of Common Stock subject to the awarded restricted stock units, the applicable vesting schedule for the restricted stock units and the underlying shares, the dates on which those vested shares shall be issued to Participant and the remaining terms and conditions governing the Award shall be as set forth in this Agreement.

AWARD SUMMARY

Participant

Award Date: _____, 20__

Number of Shares Subject to Award: _____ shares of Common Stock (the "Shares")

Vesting Schedule: Participant shall vest with respect to the Shares in a series of three (3) successive equal annual installments upon his or her completion of each year of Board service over the three (3)-year period measured from the Award Date. The Shares may vest in whole or in part on an accelerated basis in accordance with the provisions of Paragraphs 3 and 5 of this Agreement. In no event shall any Shares vest after the date of Participant's termination of Board service.

Issuance Schedule

The Shares in which the Participant vests pursuant to the foregoing Vesting Schedule or the vesting acceleration provisions of Paragraph 3 or Paragraph 5 of this Agreement shall be issued in accordance with the Participant's Deferral Election.

2. **Limited Transferability.** Prior to the actual issuance of the Shares that vest hereunder, Participant may not transfer any interest in the restricted stock units subject to the Award or the underlying Shares or pledge or otherwise hedge the sale of those units or Shares, including (without limitation) any short sale or any acquisition or disposition of any put or call option or other instrument tied to the value of those Shares. However, any Shares which vest hereunder but otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may also direct the Corporation to issue the stock certificates for any Shares which in fact vest and become issuable hereunder to one or more designated Family Members or a trust established for Participant and/or his or her Family Members. Participant may make such a beneficiary designation or certificate directive at any time by filing the appropriate form with the Plan Administrator or its designee.

3. **Cessation of Service.** The restricted stock units subject to this Award shall immediately vest in full upon Participant's cessation of Board service by reason of death, Permanent Disability or Retirement. Should Participant cease Board service for any other reason prior to vesting in one or more Shares subject to this Award, then the Award will be immediately cancelled with respect to those unvested Shares, and the number of restricted stock units will be reduced accordingly. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units.

4. **Stockholder Rights and Dividend Equivalents**

(a) Participant shall not have any stockholder rights, including voting, dividend or liquidation rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance.

(b) Notwithstanding the foregoing, should any dividend or other distribution payable other than in shares of Common Stock, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a phantom dividend equivalent to the actual dividend or distribution which would have been paid on those Shares had they been issued and outstanding and entitled to that dividend or distribution. As the Shares vest hereunder, the phantom dividend equivalents

credited to those Shares in the book account shall concurrently vest and shall be distributed to Participant (in cash or such other form as the Plan Administrator may deem appropriate in its sole discretion) at the same time the vested Shares to which those phantom dividend equivalents relate are issued, unless Participant has designated another time and method of distribution in his or her Deferral Election for this Award.

5. **Special Vesting Acceleration.** The restricted stock units subject to this Award shall immediately vest in full upon Participant's continuation in Board service until the effective date of any Change in Control transaction, and the Shares underlying those vested units shall be issued in accordance with Participant's Deferral Election. Alternatively, the Participant's right to the Shares may, pursuant to the terms of the Change in Control transaction, be converted into the right to receive the same consideration per share of Common Stock payable to the other shareholders of the Corporation in consummation of the Change in Control. In such event, the consideration for the Shares shall be distributed to Participant in accordance with the distribution provisions of his or her Deferral Election.

6. **Adjustment in Shares.** Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares, spin-off transaction or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, or should the value of outstanding shares of Common Stock be substantially reduced as a result of a spin-off transaction or an extraordinary dividend or distribution, or should there occur any merger, consolidation or other reorganization, then equitable adjustments shall be made by the Plan Administrator to the total number and/or class of securities issuable pursuant to this Award in order to reflect such change and thereby prevent a dilution or enlargement of benefits hereunder. In making such equitable adjustments, the Plan Administrator shall take into account any amounts to be credited to Participant's book account under Paragraph 4(b) in connection with the transaction, and the determination of the Plan Administrator shall be final, binding and conclusive.

7. **Issuance of Shares of Common Stock.**

(c) Except as otherwise provided in Paragraph 5, on the applicable issuance date designated in the Deferral Election for the Shares which vest in accordance with the terms of this Agreement, the Corporation shall issue to or on behalf of Participant a certificate (which may be in electronic form) for the vested shares of Common Stock to be issued on that date and shall concurrently distribute to Participant any phantom dividend equivalents which are, pursuant to the terms of such Deferral Election, to be distributed concurrently with the issuance of those vested Shares.

(d) Except as otherwise provided in Paragraph 5, the settlement of all restricted stock units which vest under this Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued at the time the Award vests shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

8. **Compliance with Laws and Regulations.**

(e) The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such issuance.

(f) The inability of the Corporation to obtain approval from any regulatory body having authority deemed by the Corporation to be necessary to the lawful issuance of any Common Stock hereby shall relieve the Corporation of any liability with respect to the non-issuance of the Common Stock as to which such approval shall not have been obtained. The Corporation, however, shall use its best efforts to obtain all such approvals.

9. **Successors and Assigns.** Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

10. **Notices.** Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant's signature line on this Agreement, unless the Participant notifies the Corporation of a change in address in writing. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. **Construction.** This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

12. **Governing Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Hawaii without resort to that State's conflict-of-laws rules.

13. **No Impairment of Rights.** This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise make changes in its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets. In addition, this Agreement shall not in any way be construed or interpreted so as to affect adversely or otherwise impair the right of the Corporation or its shareholders to remove Participant from the Board at any time in accordance with the provisions of applicable law.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first indicated above.

ALEXANDER & BALDWIN, INC.

By:

Title:

Address:

PARTICIPANT

Signature:

Address:

APPENDIX A
DEFINITIONS

- A. **Agreement** shall mean this Restricted Stock Unit Award Agreement.
- B. **Automatic Grant Program** shall mean the automatic grant program for non-employee Board members in effect under Article Five of the Plan.
- C. **Award** shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.
- D. **Award Date** shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.

E. **Board** shall mean the Corporation's Board of Directors.

F. **Change in Control** shall mean a change of ownership or control of the Corporation effected through any of the following transactions:

(i) a merger, consolidation or other reorganization approved by the Corporation's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Corporation's outstanding voting securities immediately prior to such transaction,

(ii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets,

(iii) the closing of any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) of the 1934 Act (other than the Corporation or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, the Corporation) becomes directly or indirectly (whether as a result of a single acquisition or by reason of one or more acquisitions within the twelve (12)-month period ending with the most recent acquisition) the beneficial owner (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing (or convertible into or exercisable for securities possessing) thirty-five percent (35%) or more of the total combined voting power of the Corporation's securities (as measured in terms of the power to vote with respect to the election of Board

members) outstanding immediately after the consummation of such transaction or series of related transactions, whether such transaction involves a direct issuance from the Corporation or the acquisition of outstanding securities held by one or more of the Corporation's existing stockholders, or

(iv) a change in the composition of the Board over a period of twelve (12) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination.

G. **Code** shall mean the Internal Revenue Code of 1986, as amended.

H. **Common Stock** shall mean shares of the Corporation's common stock.

I. **Corporation** shall mean Alexander & Baldwin, Inc., a Hawaii corporation, and any successor corporation to all or substantially all of the assets or voting stock of Alexander & Baldwin, Inc. which shall by appropriate action adopt the Plan.

J. **Deferral Election** shall mean the election made by Participant, prior to the start of the calendar year in which this Award is made, in which Participant has designated a deferred commencement date for the issuance of the Shares in which he or she vests under this Award and the method of issuance for those vested and deferred Shares.

K. **Family Members** shall mean, with respect to the Participant, any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law.

L. **1934 Act** shall mean the Securities Exchange Act of 1934, as amended.

M. **Participant** shall mean the non-employee Board member to whom the Award is made pursuant to the Automatic Grant Program.

N. **Permanent Disability** shall mean the inability of Participant to perform his or her usual duties as a Board member by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more.

O. **Plan** shall mean the Corporation's 2007 Incentive Compensation Plan.

- P. **Plan Administrator** shall mean either the Board or a committee of the Board acting in its capacity as administrator of the Plan.
- Q. **Retirement** shall mean the cessation of Board service by reason of retirement at or after the attainment of age seventy-two (72).

DEFERRAL ELECTION FOR RESTRICTED STOCK UNIT AWARD

I hereby elect to defer the issuance of the following number of shares of Alexander & Baldwin, Inc. common stock in which I vest under the restricted stock unit award to be made to me at the 20__ Annual Stockholders Meeting pursuant to the Automatic Grant Program in effect under Company's 2007 Incentive Compensation Plan (the "Award"):

- All of the shares subject to the Award

- Shares with an aggregate fair market value, as measured on the award date, of \$_____ (must be at least \$10,000, with any fractional share resulting from such election to be rounded up to the next whole share).

I hereby make the following distribution elections with respect to the shares of Alexander & Baldwin, Inc. ("A&B") common stock in which I vest pursuant to the portion of the Award that I have elected to defer hereunder:

Distribution Date:

I hereby elect the following commencement date or event for the distribution of my deferred vested A&B shares:

- May ____, 20__.

- My cessation of service as a member of the A&B Board of Directors.

- The **earlier** of (i) May ____, 20__ or (ii) my cessation of service as a member of the A&B Board of Directors.

Method of Distribution:

I hereby elect the following method of distribution for my deferred vested A&B shares:

- Lump sum distribution

- Equal annual installments over five (5)-year term

Election Relating to Dividend Equivalent Rights:

With respect to the amounts to which I may become entitled pursuant to the dividend equivalent rights I will possess with respect to the A&B shares deferred pursuant to my foregoing elections, I hereby make the following election:

- Deferral. Payment of those amounts is to be deferred until the vested deferred shares to which those amounts pertain are issued to me in accordance with my foregoing elections.

- No Deferral. The amounts are to be paid to me as the shares to which those amounts relate vest or currently once those shares vest.

Terms Governing Deferral Election

I understand that the distribution of the shares and other amounts to be distributed to me in accordance with this deferral election will commence on the distribution date or event I have designated above or as soon thereafter as administratively practicable, but in no event later than the **later** of (i) the close of the calendar year in which such date or event occurs or (ii) the fifteenth day of the third calendar month following the occurrence of such date or event.

To the extent my rights under law to receive one or more distributions pursuant to this deferral election are greater than the rights of a general unsecured creditor of A&B, I hereby waive those rights and agree that I shall have only the rights of a general unsecured creditor with respect to the payment of my deferred amounts hereunder.

I understand that this election will become irrevocable on December 31, 20__ and cannot be changed or modified in any manner after that date.

_____, 20__
Signature

This election must be completed, signed and received by the Alexander & Baldwin Human Resources Department at Alexander & Baldwin, Inc.; P. O. Box 3440; Honolulu, Hawaii 96801-3440 no later than December 31, 20__.

ALEXANDER & BALDWIN, INC.
RESTRICTED STOCK UNIT AWARD AGREEMENT

RECITALS

A. The Corporation has implemented an automatic award program under the Plan pursuant to which eligible non-employee members of the Board will automatically receive special awards of restricted stock units at periodic intervals over their period of Board service in order to provide such individuals with a meaningful incentive to continue to serve as members of the Board.

B. Participant is an eligible non-employee Board member, and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the automatic award of restricted stock units under the Plan.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Restricted Stock Units.** The Corporation hereby awards to Participant, as of the Award Date, an award (the "Award") of restricted stock units under the Plan. Each restricted stock unit represents the right to receive one share of Common Stock on the vesting date of that unit. The number of shares of Common Stock subject to the awarded restricted stock units, the applicable vesting schedule for the restricted stock units and the underlying shares, the dates on which those vested shares shall be issued to Participant and the remaining terms and conditions governing the Award shall be as set forth in this Agreement.

AWARD SUMMARY

Participant:

Award Date:

Number of Shares
Subject to Award: _____ shares of Common Stock (the "Shares")

Vesting Schedule: Participant shall vest with respect to the Shares in a series of three (3) successive equal annual installments upon his or her completion of each year of Board service over the three (3)-year period measured from the Award Date. The Shares may vest in whole or in part on an accelerated basis in accordance with the provisions of Paragraphs 3 and 5 of this Agreement. In no event shall any Shares vest after the date of Participant's termination of Board service.

2. **Limited Transferability.** Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the restricted stock units subject to the Award or the underlying Shares or pledge or otherwise hedge the sale of those units or Shares, including (without limitation) any short sale or any acquisition or disposition of any put or call option or other instrument tied to the value of those Shares. However, any Shares which vest hereunder but otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may also direct the Corporation to issue the stock certificates for any Shares which in fact vest and become issuable hereunder to one or more designated Family Members or a trust established for Participant and/or his or her Family Members. Participant may make such a beneficiary designation or certificate directive at any time by filing the appropriate form with the Plan Administrator or its designee.

3. **Cessation of Service.** The restricted stock units subject to this Award shall immediately vest in full upon Participant's cessation of Board service by reason of death, Permanent Disability or Retirement. Should Participant cease Board service for any other reason prior to vesting in one or more Shares subject to this Award, then the Award will be immediately cancelled with respect to those unvested Shares, and the number of restricted stock units will be reduced accordingly. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units.

4. **Stockholder Rights and Dividend Equivalents**

(a) Participant shall not have any stockholder rights, including voting, dividend or liquidation rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance.

(b) Notwithstanding the foregoing, should any dividend or other distribution payable other than in shares of Common Stock, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a phantom dividend equivalent to the actual dividend or distribution which would have been paid on those Shares had they been issued and outstanding and entitled to that dividend or distribution. As the Shares subsequently vest hereunder, the phantom dividend equivalents credited to those Shares in the book account shall be distributed to Participant (in cash or such other form as the Plan Administrator may deem appropriate in its sole discretion) concurrently with the issuance of the vested Shares to which those phantom dividend equivalents relate.

5. **Special Vesting Acceleration.** The restricted stock units subject to this Award shall immediately vest in full upon Participant's continuation in Board service until the effective date of any Change in Control transaction. The vested Shares will be issued immediately upon such effective date or as soon as administratively practicable thereafter, but in no event more than fifteen (15) business days after such effective date, or will otherwise be

converted into the right to receive the same consideration per share of Common Stock payable to the other shareholders of the Corporation in consummation of the Change in Control and distributed at the same time as such stockholder payments.

6. **Adjustment in Shares.** Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares, spin-off transaction or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, or should the value of outstanding shares of Common Stock be substantially reduced as a result of a spin-off transaction or an extraordinary dividend or distribution, or should there occur any merger, consolidation or other reorganization, then equitable adjustments shall be made by the Plan Administrator to the total number and/or class of securities issuable pursuant to this Award in order to reflect such change and thereby prevent a dilution or enlargement of benefits hereunder. In making such equitable adjustments, the Plan Administrator shall take into account any amounts to be credited to Participant's book account under Paragraph 4(b) in connection with the transaction, and the determination of the Plan Administrator shall be final, binding and conclusive.

7. **Issuance of Shares of Common Stock.**

(a) Except as otherwise provided in Paragraph 5, on the applicable date on which the Shares vest in accordance with the terms of this Agreement or as soon as administratively practicable following such vesting date, but in no event more than fifteen (15) business days after such vesting date, the Corporation shall issue to or on behalf of Participant a certificate (which may be in electronic form) for the vested shares of Common Stock and shall concurrently distribute to Participant any phantom dividend equivalents with respect to those vested Shares.

(b) Except as otherwise provided in Paragraph 5, the settlement of all restricted stock units which vest under this Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued at the time the Award vests shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

8. **Compliance with Laws and Regulations.**

(a) The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such issuance.

(b) The inability of the Corporation to obtain approval from any regulatory body having authority deemed by the Corporation to be necessary to the lawful issuance of any Common Stock hereby shall relieve the Corporation of any liability with respect to the non-issuance of the Common Stock as to which such approval shall not have been obtained. The Corporation, however, shall use its best efforts to obtain all such approvals.

9. **Successors and Assigns.** Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

10. **Notices.** Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant's signature line on this Agreement. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. **Construction.** This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

12. **Governing Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Hawaii without resort to that State's conflict-of-laws rules.

13. **No Impairment of Rights.** This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise make changes in its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets. In addition, this Agreement shall not in any way be construed or interpreted so as to affect adversely or otherwise impair the right of the Corporation or its shareholders to remove Participant from the Board at any time in accordance with the provisions of applicable law.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first indicated above.

ALEXANDER & BALDWIN, INC.

By:

Title:

Vice President

Address:

822 Bishop Street

Honolulu, HI 96813

PARTICIPANT

Signature:

Address:

APPENDIX A
DEFINITIONS

- A. **Agreement** shall mean this Restricted Stock Unit Award Agreement.
- B. **Automatic Grant Program** shall mean the automatic grant program for non-employee Board members in effect under Article Five of the Plan.
- C. **Award** shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.
- D. **Award Date** shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.

E. **Board** shall mean the Corporation's Board of Directors.

F. **Change in Control** shall mean a change of ownership or control of the Corporation effected through any of the following transactions:

(i) a merger, consolidation or other reorganization approved by the Corporation's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Corporation's outstanding voting securities immediately prior to such transaction,

(ii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets,

(iii) the closing of any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) of the 1934 Act (other than the Corporation or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, the Corporation) becomes directly or indirectly (whether as a result of a single acquisition or by reason of one or more acquisitions within the twelve (12)-month period ending with the most recent acquisition) the beneficial owner (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing (or convertible into or exercisable for securities possessing) thirty-five percent (35%) or more of the total combined voting power of the Corporation's securities (as measured in terms of the power to vote with respect to the election of Board

members) outstanding immediately after the consummation of such transaction or series of related transactions, whether such transaction involves a direct issuance from the Corporation or the acquisition of outstanding securities held by one or more of the Corporation's existing stockholders, or

(iv) a change in the composition of the Board over a period of twelve (12) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination.

G. **Code** shall mean the Internal Revenue Code of 1986, as amended.

H. **Common Stock** shall mean shares of the Corporation's common stock.

I. **Corporation** shall mean Alexander & Baldwin, Inc., a Hawaii corporation, and any successor corporation to all or substantially all of the assets or voting stock of Alexander & Baldwin, Inc. which shall by appropriate action adopt the Plan.

J. **Family Members** shall mean, with respect to the Participant, any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law.

K. **1934 Act** shall mean the Securities Exchange Act of 1934, as amended.

L. **Participant** shall mean the non-employee Board member to whom the Award is made pursuant to the Automatic Grant Program.

M. **Permanent Disability** shall mean the inability of Participant to perform his or her usual duties as a Board member by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more.

N. **Plan** shall mean the Corporation's 2007 Incentive Compensation Plan.

O. **Plan Administrator** shall mean either the Board or a committee of the Board acting in its capacity as administrator of the Plan.

P. **Retirement** shall mean the cessation of Board service by reason of retirement at or after the attainment of age seventy-two (72).

NOTICE OF GRANT OF STOCK OPTION

Notice is hereby given of the following option grant (the "Option") to purchase shares of the Common Stock of Alexander & Baldwin, Inc. (the "Corporation"):

Optionee: _____

Grant Date: _____

Vesting Commencement Date: _____

Exercise Price: \$ _____ per share

Number of Option Shares: _____ shares

Expiration Date: _____

Type of Option: Non-Statutory Stock Option

Exercise Schedule:

Number of Option Shares:	Exercise Date:
_____	_____
_____	_____
_____	_____

The Option shall become exercisable in a series of three (3) successive annual installments, as set forth above, upon Optionee's completion of each successive year of Service over the three (3)-year period measured from the Vesting Commencement Date. Except as provided in Paragraph 5 of the form Stock Option Agreement, the Option shall not become exercisable for any additional Option Shares after Optionee's cessation of Service.

Optionee understands and agrees that the Option is granted subject to and in accordance with the terms of the Alexander & Baldwin, Inc. 2007 Incentive Compensation Plan (the "Plan"). Optionee further agrees to be bound by the terms of the Plan and the terms of the Option as set forth in the form Stock Option Agreement attached hereto as Exhibit A. Optionee hereby acknowledges the receipt of a copy of the official prospectus for the Plan in the form attached hereto as Exhibit B. A copy of the Plan is available upon request made to the Corporate Secretary at the Corporation's principal offices.

Continuing Consent. Optionee further acknowledges and agrees that, except to the extent the Plan Administrator notifies Optionee in writing to the contrary, each subsequent option grant made to him or her under the Plan shall be subject to the same terms and conditions set forth in the form Stock Option Agreement attached to his or her initial option grant under the Plan, and Optionee hereby accepts those terms and conditions for each such subsequent option grant that may be made to him or her under the Plan and hereby agrees to be bound by those terms and conditions for any such option grants, without any further consent or acceptance required on his or her part at the time or times when those option grants may be made. However, Optionee may, at any time he or she holds an outstanding option under the Plan, request a written copy of the form Stock Option Agreement from the Corporation by contacting the Corporation's Human Resources Department at the Corporation's headquarters at 822 Bishop Street, Honolulu, HI 96813.

Employment at Will. Nothing in this Notice or in the form Stock Option Agreement or in the Plan shall confer upon Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Optionee) or of Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's Service at any time for any reason, with or without cause.

Definitions. All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or in the form Stock Option Agreement.

DATED: _____

ALEXANDER & BALDWIN, INC.

By: _____

Title: Vice President

OPTIONEE

Address: _____

EXHIBIT A

**ALEXANDER & BALDWIN, INC.
EXECUTIVE STOCK OPTION AGREEMENT**

RECITALS

A. The Corporation has implemented the Plan for the purpose of providing eligible persons in the Corporation's service with the opportunity to participate in one or more cash or equity incentive compensation programs designed to encourage them to continue their service relationship with the Corporation.

B. Optionee is to render valuable services to the Corporation (or any Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's grant of an option to Optionee.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Option.** The Corporation hereby grants to Optionee, as of the Grant Date, an option to purchase up to the number of Option Shares specified in the Grant Notice. The Option Shares shall be purchasable from time to time during the option term specified in Paragraph 2 at the Exercise Price.

2. **Option Term.** The term of this option shall commence on the Grant Date and continue in effect until the close of business on the Expiration Date, unless sooner terminated in accordance with Paragraph 5 or 6.

3. **Limited Transferability.**

(a) Except to the limited extent provided in Paragraph 3(b), this option shall be neither transferable nor assignable by Optionee other than by will or the laws of inheritance following Optionee's death and may be exercised, during Optionee's lifetime, only by Optionee. However, Optionee may designate one or more persons as the beneficiary or beneficiaries of this option, and this option shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding this option. Such beneficiary or beneficiaries shall take the transferred option subject to all the terms and conditions of this Agreement, including (without limitation) the limited time period during which this option may, pursuant to Paragraph 5, be exercised following Optionee's death.

(b) This option may be assigned in whole or in part during Optionee's lifetime to a revocable living trust established for the exclusive benefit of Optionee or Optionee and his or her spouse (the "Trust"). The assigned portion shall be exercisable only by the Trust, and the terms applicable to that assigned portion shall be the same as those in effect for this option immediately prior to such assignment.

4. **Dates of Exercise.** This option shall become exercisable for the Option Shares in one or more installments in accordance with the Exercise Schedule set forth in the Grant Notice. As the option becomes exercisable for such installments, those installments shall accumulate, and the option shall remain exercisable for the accumulated installments until the Expiration Date or sooner termination of the option term under Paragraph 5 or 6.

5. **Cessation of Service.** The option term specified in Paragraph 2 shall terminate (and this option shall cease to be outstanding) prior to the Expiration Date should any of the following provisions become applicable:

(a) Except as otherwise expressly provided in subparagraphs (b) through (e) of this Paragraph 5, should Optionee cease to remain in Service for any reason while this option is outstanding, then Optionee (or any Trust to which this option is transferred pursuant to a permitted transfer under Paragraph 3) shall have a three (3)-month period measured from the date of such cessation of Service during which to exercise this option for any or all of the Option Shares for which this option is vested and exercisable at the time of Optionee's cessation of Service, but in no event shall this option be exercisable at any time after the Expiration Date.

(b) Should Optionee's Service terminate by reason of his or her death while this option is outstanding, then this option, to the extent not otherwise at that time vested and exercisable for all the Option Shares, shall immediately vest and become exercisable for all the Option Shares. Upon Optionee's death (whether before or after termination of Service) this option may be exercised, for any or all of the Option Shares for which this option is vested and exercisable at the time of Optionee's cessation of Service (including any Option Shares which vest on an accelerated basis should such cessation of Service occur by reason of Optionee's death), by (i) the personal representative of Optionee's estate or (ii) the person or persons to whom the option is transferred pursuant to Optionee's will or the laws of inheritance following Optionee's death or (iii) any Trust to which the option is transferred during Optionee's lifetime pursuant to a permitted transfer under Paragraph 3, as the case may be. However, if Optionee dies while holding this option and has an effective beneficiary designation in effect for this option at the time of his or her death, then the designated beneficiary or beneficiaries shall have the exclusive right to exercise this option following Optionee's death. Any such right to exercise this option shall lapse, and this option shall cease to be outstanding, upon the earlier of (i) the expiration of the twelve (12)-month period measured from the date of Optionee's death or (ii) the Expiration Date. Upon the expiration of such limited exercise period or (if earlier) upon the Expiration Date, this option shall terminate and cease to be outstanding for any exercisable Option Shares for which the option has not otherwise been exercised.

(c) Should Optionee cease Service by reason of Early Retirement, Normal Retirement or Permanent Disability while this option is outstanding, then Optionee (or any Trust to which this option is transferred pursuant to a permitted transfer under Paragraph 3) shall have a thirty-six (36)-month period measured from the date of such cessation of Service during which to exercise this option for (i) any or all Option Shares for which this option is vested and exercisable at the time of such cessation of Service and (ii) any additional Option Shares for which this option vests and becomes exercisable during such thirty-six (36)-month

period. In no event, however, shall this option be exercisable at any time after the Expiration Date. To the extent this option is not otherwise vested and exercisable for all of the Option Shares at the time of Optionee's cessation of Service by reason of Early Retirement, Normal Retirement or Permanent Disability, this option shall, during the limited period of post-Service exercisability following such cessation of Service, continue to vest and become exercisable for one or more additional Option Shares in accordance with the Exercise Schedule specified in the Grant Notice or the special vesting acceleration provisions of Paragraph 6, as if Optionee continued in Service throughout that limited exercise period. Upon the expiration of such limited exercise period or (if earlier) upon the Expiration Date, this option shall terminate and cease to be outstanding for any exercisable Option Shares for which the option has not otherwise been exercised.

(d) The applicable period of post-Service exercisability in effect pursuant to the foregoing provisions of this Paragraph 5 shall automatically be extended by an additional period of time equal in duration to any interval within such post-Service exercise period during which the exercise of this option or the immediate sale of the Option Shares acquired under this option cannot be effected in compliance with applicable federal and state securities laws, but in no event shall such an extension result in the continuation of this option beyond the Expiration Date.

(e) Should Optionee's Service be terminated for Cause, or should Optionee (i) engage in any post-Service activity, whether as an Employee, consultant or advisor or in any other capacity, that is competitive with the business operations of the Corporation (or any Subsidiary or Parent) or (ii) engage in any other conduct, while in Service or following cessation of Service, that is materially detrimental to the business or affairs of the Corporation (or any Subsidiary or Parent), as determined in the sole discretion of the Plan Administrator, then this option, whether or not vested and exercisable, shall terminate immediately and cease to be outstanding.

(f) Except as otherwise expressly provided in the preceding subparagraphs of this Paragraph 5, during the limited period of post-Service exercisability, this option may not be exercised in the aggregate for more than the number of Option Shares for which this option is, at the time of Optionee's cessation of Service, vested and exercisable pursuant to the Exercise Schedule specified in the Grant Notice or the special vesting acceleration provisions of Paragraph 6. Except as otherwise provided in this Paragraph 5 or except to the extent (if any) specifically authorized by the Plan Administrator pursuant to an express written agreement with the Optionee, this option shall not vest or become exercisable for any additional Option Shares, whether pursuant to the normal Exercise Schedule specified in the Grant Notice or the special vesting acceleration provisions of Paragraph 6, following the Optionee's cessation of Service. Upon the expiration of such limited exercise period or (if earlier) upon the Expiration Date, this option shall terminate and cease to be outstanding for any exercisable Option Shares for which the option has not otherwise been exercised.

6. Special Acceleration of Option.

(a) This option, to the extent outstanding at the time of an actual Change in Control but not otherwise fully exercisable, shall automatically accelerate so that this option shall, immediately prior to the effective date of such Change in Control, become exercisable for all of the Option Shares at the time subject to this option and may be exercised for any or all of those Option Shares as fully vested shares of Common Stock. However, this option shall **not** become exercisable on such an accelerated basis, if and to the extent: (i) this option is to be assumed by the successor corporation (or parent thereof) or is otherwise to be continued in full force and effect pursuant to the terms of the Change in Control transaction or (ii) this option is to be replaced with a cash retention program of the successor corporation which preserves the spread existing at the time of the Change in Control on any Option Shares for which this option is not otherwise at that time vested and exercisable (the excess of the Fair Market Value of those Option Shares over the aggregate Exercise Price payable for such shares) and provides for subsequent payout of that spread, over Optionee's period of continued Service, at the same time or times as this option would have vested and become exercisable for those Option Shares in accordance with the Exercise Schedule set forth in the Grant Notice.

(b) Immediately following the Change in Control, this option shall terminate and cease to be outstanding, except to the extent assumed by the successor corporation (or parent thereof) or otherwise continued in effect pursuant to the terms of the Change in Control transaction.

(c) If this option is assumed in connection with a Change in Control or otherwise continued in effect, then this option shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities into which the shares of Common Stock subject to this option would have been converted in consummation of such Change in Control had those shares actually been outstanding at the time. Appropriate adjustments shall also be made to the Exercise Price, provided the aggregate Exercise Price shall remain the same. To the extent the actual holders of the Corporation's outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation may, in connection with the assumption or continuation of this option but subject to the Plan Administrator's approval, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in such Change in Control, provided such common stock is readily tradable on an established U.S. securities exchange or market.

(d) Immediately upon an Involuntary Termination of Optionee's Service within twenty-four (24) months following a Change in Control in which this option is assumed or otherwise continued in effect, this option, to the extent outstanding at the time but not otherwise fully exercisable, shall automatically accelerate so that this option shall become immediately exercisable for all the Option Shares at the time subject to the option and may be exercised for any or all of those Option Shares as fully vested shares. Should this option be replaced with a cash retention program in accordance with Paragraph 6(a), then the balance credited to Optionee under that program at the time of his or her Involuntary Termination shall vest and be immediately paid to Optionee in a lump sum, subject to the Corporation's collection

of all applicable withholding taxes; **provided, however**, that Optionee shall be entitled to such payment only if the Optionee's Involuntary Termination occurs within twenty-four (24) months following the Change in Control.

(e) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

7. **Adjustment in Option Shares.** Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares, spin-off transaction, extraordinary dividend or distribution or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, or should the value of outstanding shares of Common Stock be substantially reduced as a result of a spin-off transaction or an extraordinary dividend or distribution, or should there occur any merger, consolidation or other reorganization, then equitable adjustments shall be made by the Plan Administrator to (i) the total number and/or class of securities subject to this option and (ii) the Exercise Price. The adjustments shall be made in such manner as the Plan Administrator deems appropriate in order to reflect such change and thereby prevent the dilution or enlargement of benefits hereunder, and those adjustments shall be final, binding and conclusive upon Optionee and any other person or persons having an interest in the option. In the event of any Change in Control transaction, the adjustment provisions of Paragraph 6(c) shall be controlling.

8. **Stockholder Rights.** The holder of this option shall not have any stockholder rights with respect to the Option Shares until such person shall have exercised the option, paid the Exercise Price and become a holder of record of the purchased shares.

9. **Manner of Exercising Option.**

(a) In order to exercise this option with respect to all or any part of the Option Shares for which this option is at the time exercisable, Optionee (or any other person or persons exercising the option) must take the following actions:

(i) Execute and deliver to the Corporation a Notice of Exercise as to the Option Shares for which the option is exercised or comply with such other procedures as the Corporation may establish for notifying the Corporation of the exercise of this option for one or more Option Shares.

(ii) Pay the aggregate Exercise Price for the purchased shares in one or more of the following forms:

(A) cash or check made payable to the Corporation;

(B) shares of Common Stock (whether delivered in the form of actual stock certificates or through attestation of ownership in a manner reasonably satisfactory to the Corporation) held for the requisite period (if any) necessary to avoid any resulting charge to the Corporation's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date; or

(C) through a special sale and remittance procedure pursuant to which Optionee (or any other person or persons exercising the option) shall concurrently provide irrevocable instructions (i) to a brokerage firm (reasonably satisfactory to the Corporation for purposes of administering such procedure in accordance with the Corporation's pre-clearance/pre-notification policies) to effect the immediate sale of the purchased shares and remit to the Corporation, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate Exercise Price payable for the purchased shares plus all applicable Withholding Taxes required to be withheld by the Corporation by reason of such exercise and (ii) to the Corporation to deliver the certificates for the purchased shares directly to such brokerage firm on such settlement date in order to complete the sale.

Except to the extent the sale and remittance procedure is utilized in connection with the option exercise, payment of the Exercise Price must accompany the Notice of Exercise (or other notification procedure) delivered to the Corporation in connection with the option exercise.

(iii) Furnish to the Corporation appropriate documentation that the person or persons exercising the option (if other than Optionee) have the right to exercise this option.

(b) As soon as practical after the Exercise Date, the Corporation shall issue to or on behalf of Optionee (or any other person or persons exercising this option) a certificate for the purchased Option Shares (either in paper or electronic form), with the appropriate legends affixed thereto: **provided, however**, that in the event this option is exercised other than pursuant to the sale and remittance procedure described in Paragraph 9(a)(ii)(C), ownership of the purchased Option Shares shall only be noted as a book entry, and no certificates for the purchased shares shall actually be issued unless and until expressly requested by Optionee or any other person having an interest at the time in those shares.

(c) In no event may this option be exercised for any fractional shares.

10. **Compliance with Laws and Regulations.**

(a) The exercise of this option and the issuance of the Option Shares upon such exercise shall be subject to compliance by the Corporation and Optionee with all applicable requirements of law relating thereto and with all applicable regulations of any Stock Exchange on which the Common Stock may be listed for trading at the time of such exercise and issuance.

(b) The inability of the Corporation to obtain approval from any regulatory body having authority deemed by the Corporation to be necessary to the lawful issuance and sale of any Common Stock pursuant to this option shall relieve the Corporation of any liability with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. The Corporation, however, shall use its best efforts to obtain all such approvals.

11. **Successors and Assigns.** Except to the extent otherwise provided in Paragraphs 3 and 6, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Optionee, Optionee's assigns, the legal representatives, heirs and legatees of Optionee's estate and any beneficiaries of this option designated by Optionee.

12. **Change in Control Benefit Agreement.** Notwithstanding anything to the contrary in this Agreement, if Optionee is, at the time of a change in control or ownership of the Corporation (whether or not that transaction constitutes a Change in Control hereunder), a party to a Change in Control Benefit Agreement with the Corporation, then the provisions of that agreement shall (to the extent applicable to this option) govern Optionee's rights and benefits with respect to the option evidenced by this Agreement, and in the event of any conflict between the provisions of that Change in Control Benefit Agreement and this Agreement, the provisions of the Change in Control Benefit Agreement shall be controlling.

13. **Notices.** Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate offices. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the address indicated below Optionee's signature line on the Grant Notice. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

14. **Construction.** This Agreement and the option evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan and any applicable Change in Control Benefit Agreement. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in this option.

15. **Governing Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Hawaii without resort to that State's conflict-of-laws rules.

16. **Excess Shares.** If the Option Shares covered by this Agreement exceed, as of the Grant Date, the number of shares of Common Stock which may without stockholder approval be issued under the Plan, then this option shall be void with respect to those excess shares, unless stockholder approval of an amendment sufficiently increasing the number of shares of Common Stock issuable under the Plan is obtained in accordance with the provisions of the Plan. In no event shall the Option be exercisable with respect to any of the excess Option Shares unless and until such stockholder approval is obtained.

17. **Withholding Taxes.**

(a) The Corporation's obligation to deliver shares of Common Stock upon the exercise of this option shall be subject to the Corporation's collection of all applicable Withholding Taxes.

(b) Unless Optionee (i) otherwise makes satisfactory arrangements with the Corporation's Human Resources Department, on or before the expiration of the designated notification period preceding the exercise of this option, to pay the applicable Withholding Taxes through the delivery of a check or wire transfer payable to the Corporation in the amount of such Withholding Taxes and (ii) in fact delivers such check or wire transfer to the Corporation not later than the exercise date of the option, the Corporation shall collect the applicable Withholding Taxes through the following automatic share withholding method:

- The Corporation shall withhold, at the time of the option exercise, a portion of the purchased Option Shares with an aggregate Fair Market Value (measured on the exercise date) equal to the applicable Withholding Taxes; **provided, however**, that the number of the Option Shares so withheld shall not exceed in Fair Market Value the amount necessary to satisfy the Corporation's required tax withholding obligations using the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to supplemental taxable income.

The following definitions shall be in effect under the Agreement:

A. **Agreement** shall mean this Stock Option Agreement.

B. **Board** shall mean the Corporation's Board of Directors.

C. **Cause** shall mean the commission of any act of fraud, embezzlement or dishonesty by Optionee, any unauthorized use or disclosure by Optionee of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Optionee adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner; **provided, however**, that in the event Optionee is, at the time the Corporation (or any Parent or Subsidiary) purports to terminate Optionee's Employee status for Cause, a party to a Change in Control Benefit Agreement applicable to the option evidenced by this Agreement, the term **Cause** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Optionee or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan or this Agreement, to constitute grounds for termination for Cause.

D. **Change in Control** shall mean a change in ownership or control of the Corporation effected through any of the following transactions:

(i) a merger, consolidation or other reorganization approved by the Corporation's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Corporation's outstanding voting securities immediately prior to such transaction,

(ii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets,

(iii) the closing of any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) of the 1934 Act (other than the Corporation or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, the Corporation) becomes directly or indirectly (whether as a result of a single acquisition or by reason of one or more acquisitions within the twelve (12)-month period ending with the most recent acquisition) the beneficial owner (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing (or

convertible into or exercisable for securities possessing) thirty-five percent (35%) or more of the total combined voting power of the Corporation's securities (as measured in terms of the power to vote with respect to the election of Board members) outstanding immediately after the consummation of such transaction or series of related transactions, whether such transaction involves a direct issuance from the Corporation or the acquisition of outstanding securities held by one or more of the Corporation's existing stockholders, or

(iv) a change in the composition of the Board over a period of twelve (12) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination;

provided, however, that in the event Optionee is a party to a Change in Control Benefit Agreement applicable to the option evidenced by this Agreement, the term **Change in Control** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement.

E. **Change in Control Benefits Agreement** shall mean any separate agreement between Optionee and the Corporation which provides Optionee with special vesting acceleration and/or other special benefits with respect to one or more option grants made to Optionee to purchase shares of Common Stock, including (to the extent applicable) the option evidenced by this Agreement, in the event of a change in control or ownership of the Corporation (whether or not constituting a Change in Control hereunder).

F. **Code** shall mean the Internal Revenue Code of 1986, as amended.

G. **Common Stock** shall mean shares of the Corporation's common stock.

H. **Corporation** shall mean Alexander & Baldwin, Inc., a Hawaii corporation, and any successor corporation to all or substantially all of the assets or voting stock of Alexander & Baldwin, Inc. which shall by appropriate action adopt the Plan.

I. **Early Retirement** shall mean Optionee's cessation of Service on or after the attainment of age fifty-five (55) and the completion of at least five (5) years of Service.

J. **Employee** shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

K. **Exercise Date** shall mean the date on which the option shall have been exercised in accordance with Paragraph 9 of the Agreement.

L. **Exercise Price** shall mean the exercise price per Option Share as specified in the Grant Notice.

M. **Exercise Schedule** shall mean the schedule set forth in the Grant Notice pursuant to which the option is to vest and become exercisable for the Option Shares in one or more installments over the Optionee's period of Service.

N. **Expiration Date** shall mean the date on which the option expires as specified in the Grant Notice.

O. **Fair Market Value** per share of Common Stock on any relevant date shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on date in question on the Stock Exchange serving as the primary market for the Common Stock, as such price is reported by the National Association of Securities Dealers (if primarily traded on the Nasdaq Global Select Market) or as officially quoted in the composite tape of transactions on any other Stock Exchange on which the Common Stock is then primarily traded. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

P. **Good Reason** shall mean the occurrence of any of the following events effected without Optionee's consent: (A) a change in Optionee's position with the Corporation (or any Parent or Subsidiary employing Optionee) which materially reduces Optionee's duties and responsibilities or the level of management to which Optionee reports, (B) a relocation of Optionee's principal place of employment by more than fifty (50) miles, (C) a reduction in Optionee's level of compensation, as measured in terms of base salary, fringe benefits, target annual incentive payment, by more than ten percent (10%) or (D) the failure by the Corporation to continue in effect any stock option or other equity-based plan in which Optionee is participating, or in which Optionee is entitled to participate, immediately prior to a change in control of the Corporation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan; or the failure by the Corporation to continue Optionee's participation therein (or in such substitute or alternative plan) on a substantially equivalent basis, both in terms of the amount or timing of payment of benefits provided and the level of Optionee's participation relative to other participants, as existed immediately prior to the change in control of the Corporation.

However, in the event Optionee is at the time of his or her cessation of Employee status a party to a Change in Control Benefit Agreement applicable to the Award evidenced by this Agreement, the term **Good Reason** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement.

Q. **Grant Date** shall mean the date of grant of the option as specified in the Grant Notice.

R. **Grant Notice** shall mean the Notice of Grant of Stock Option informing Optionee of the basic terms of the option subject to this Agreement.

S. **Involuntary Termination** shall mean the termination of Optionee's Service by reason of:

- (i) Optionee's involuntary dismissal or discharge by the Corporation for reasons other than for Cause, or
- (ii) Optionee's voluntary resignation for Good Reason.

T. **1934 Act** shall mean the Securities Exchange Act of 1934, as amended from time to time.

U. **Non-Statutory Option** shall mean an option not intended to satisfy the requirements of Code Section 422.

V. **Normal Retirement** shall mean the cessation of Service by reason of retirement at or after the attainment of age sixty-five (65).

W. **Notice of Exercise** shall mean the notice of option exercise in the form prescribed by the Corporation.

X. **Option Shares** shall mean the number of shares of Common Stock subject to the option as specified in the Grant Notice.

Y. **Optionee** shall mean the person to whom the option is granted as specified in the Grant Notice.

Z. **Parent** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

AA. **Permanent Disability** shall mean the inability of Optionee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or to be of continuous duration of twelve (12) months or more.

BB. **Plan** shall mean the Corporation's 2007 Incentive Compensation Plan.

CC. **Plan Administrator** shall mean either the Board or a committee of the Board acting in its capacity as administrator of the Plan.

DD. **Service** shall mean Optionee's performance of services for the Corporation (or any Parent or Subsidiary, whether now existing or subsequently established) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. However, Optionee shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) Optionee no longer performs services in any

of the foregoing capacities for the Corporation or any Parent or Subsidiary or (ii) the entity for which Optionee is performing such services ceases to remain a Parent or Subsidiary of the Corporation, even though the Optionee may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation. However, except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period the Optionee is on a leave of absence.

EE. **Stock Exchange** shall mean the American Stock Exchange, the Nasdaq Global or Global Select Market or the New York Stock Exchange.

FF. **Subsidiary** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

GG. **Withholding Taxes** shall mean the federal, state and local income taxes and the employee portion of the federal, state and local employment taxes required to be withheld by the Corporation in connection with the exercise of the option.

NOTICE OF AWARD OF TIME-BASED RESTRICTED STOCK UNITS

The Corporation hereby awards to Participant, as of the Award Date indicated below, an award (the "Award") of restricted stock units under the Corporation's 2007 Incentive Compensation Plan (the "Plan"). Each restricted stock unit represents the right to receive one share of Common Stock on the vesting date of that unit. The number of shares of Common Stock subject to the awarded restricted stock units and the applicable vesting schedule for those units and the underlying shares are set forth below. The remaining terms and conditions governing the Award shall be as set forth in the form Time-Based Restricted Stock Unit Award Agreement for service-vesting Awards.

AWARD SUMMARY

Participant

Award Date:

Number of Shares
Subject to Award: _____ shares of Common Stock (the "Shares")

Vesting Schedule: The Shares shall vest in a series of three (3) successive equal annual installments upon Participant's completion of each successive year of Service over the three (3)-year period measured from the Award Date. Each such installment vesting date is hereby designated a "Vesting and Issuance Date." However, one or more Shares may be subject to accelerated vesting in accordance with the provisions of Paragraph 3 or Paragraph 5 of the form Time-Based Restricted Stock Unit Award Agreement.

Participant understands and agrees that the Award is granted subject to and in accordance with the terms of the Plan and hereby agrees to be bound by the terms of the Plan and the terms of the Award as set forth in the form Timed-Based Restricted Stock Unit Award Agreement attached as Exhibit A. Participant hereby acknowledges the receipt of a copy of the official prospectus for the Plan in the form attached hereto as Exhibit B. A copy of the Plan is available upon request made to the Corporate Secretary at the Corporation's principal offices.

Continuing Consent. Participant further acknowledges and agrees that, except to the extent the Plan Administrator notifies Participant in writing to the contrary, each subsequent award of service-vesting restricted stock units made to him or her under the Plan shall be subject to the same terms and conditions set forth in the Time-Based Restricted Stock Unit Award Agreement attached to his or her initial service-vesting Award, and Participant hereby accepts those terms and conditions for each such subsequent service-vesting restricted stock unit award that may be made to him or her under the Plan and hereby agrees to be bound by those terms and conditions for any such restricted stock unit awards, without any further consent or acceptance required on his or her part at the time or times when those awards may be made. However,

Participant may, at anytime he or she holds an outstanding service-vesting restricted stock unit award under the Plan, request a written copy of the form Timed-Based Restricted Stock Unit Award Agreement from the Corporation by contacting the Corporation's Human Resources Department at the Corporation's headquarters at 822 Bishop Street, Honolulu, HI 96813.

Employment at Will. Nothing in this Notice or in the form Time-Based Restricted Stock Unit Award Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without cause.

Definitions. All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or in the form Time-Based Restricted Stock Unit Award Agreement for service-vesting Awards.

DATED: _____

ALEXANDER & BALDWIN, INC.

By: _____
Title: Vice President _____

PARTICIPANT
Address: _____

EXHIBIT A

ALEXANDER & BALDWIN, INC.
EXECUTIVE TIME-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

RECITALS

- A. The Corporation has implemented the Plan for the purpose of providing eligible persons in the Corporation's service with the opportunity to participate in one or more cash or equity incentive compensation programs designed to encourage them to continue their service relationship with the Corporation.
- B. Participant is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's issuance of shares of Common Stock to Participant under the Stock Issuance Program.
- C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Restricted Stock Units.** The Corporation hereby awards to Participant, as of the Award Date, restricted stock units under the Plan. The number of shares of Common Stock underlying the awarded restricted stock units and the applicable vesting schedule for those units and the underlying Shares are set forth in the Award Notice. The remaining terms and conditions governing the Award shall be as set forth in this Agreement.
2. **Limited Transferability.** Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the restricted stock units subject to the Award or the underlying Shares or pledge or otherwise hedge the sale of those units or Shares, including (without limitation) any short sale or any acquisition or disposition of any put or call option or other instrument tied to the value of those Shares. However, any Shares which vest hereunder but otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may also direct the Corporation to record the ownership of any Shares which in fact vest and become issuable hereunder in the name of a revocable living trust established for the exclusive benefit of Participant or Participant and his or her spouse. Participant may make such a beneficiary designation or ownership directive at any time by filing the appropriate form with the Plan Administrator or its designee.

3. **Cessation of Service.**

(a) Except as otherwise provided in this Paragraph 3 or Paragraph 5 below, should Participant cease Service for any reason prior to vesting in one or more Shares subject to this Award, then the Award shall be immediately cancelled with respect to those unvested Shares, and the number of restricted stock units shall be reduced accordingly. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units.

(b) Should Participant's Service terminate by reason of his or her death or Permanent Disability prior to vesting in one or more Shares subject to this Award, then the restricted stock units shall vest in full upon Participant's termination of Service. The Shares subject to those vested units shall be issued in accordance with the applicable provisions of Paragraph 7.

(c) Should Participant's Service terminate by reason of his or her Early Retirement or Normal Retirement prior to vesting in all the Shares subject to this Award in accordance with the annual installment vesting schedule set forth in the Award Notice, then Participant shall immediately vest in that number of additional Shares (if any) in which Participant would have otherwise been vested at the time of such termination had the Shares subject to this Award vested in a series of thirty-six (36) successive equal monthly installments over the duration of the three (3)-year vesting schedule set forth in Award Notice. The Shares which are deemed to vest on the basis of such monthly installment vesting schedule shall, together with any other Shares which are at the time vested but unissued, be issued in accordance with the applicable provisions of Paragraph 7.

4. **Stockholder Rights and Dividend Equivalents**

(a) The holder of this Award shall not have any stockholder rights, including voting, dividend or liquidation rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance upon the Corporation's collection of the applicable Withholding Taxes.

(b) Notwithstanding the foregoing, should any dividend or other distribution payable other than in shares of Common Stock, whether regular or extraordinary, be declared and paid on the Corporation's outstanding Common Stock in one or more calendar years during which Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a phantom dividend equivalent to the actual dividend or distribution which would have been paid on those Shares had they been issued and outstanding and entitled to that dividend or distribution. The phantom dividend equivalents credited to the Participant's book account during a particular calendar year shall be distributed to Participant (in cash or such other form as the Plan Administrator may deem appropriate in its sole discretion) in one or more installments completed prior to the last day of that calendar year. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

5. **Change in Control**

(a) This Award, to the extent outstanding at the time of a Change in Control, may be assumed by the successor entity or otherwise continued in full force and effect or may be replaced with a cash retention program of the successor entity which preserves the Fair Market Value at that time of the unvested Shares subject to the Award and provides for the subsequent vesting and payout of that value in accordance with the same vesting and payment schedule applicable to the Award. In the event of such assumption or continuation of this Award or such replacement of the Award with a cash retention program, no accelerated vesting of the restricted stock units subject to this Award or the underlying Shares shall occur at the time of the Change in Control.

(b) In the event this Award is assumed or otherwise continued in effect, the restricted stock units subject to the Award shall be adjusted immediately after the consummation of the Change in Control so as to apply to the number and class of securities into which the Shares subject to those units immediately prior to the Change in Control would have been converted in consummation of that Change in Control had those Shares actually been issued and outstanding at that time. To the extent the actual holders of the outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation (or parent entity) may, in connection with the assumption or continuation of the restricted stock units subject to the Award at that time but subject to the Plan Administrator's approval, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in the Change in Control transaction, provided such common stock is readily tradable on an established U.S. securities exchange or market.

(c) Upon Participant's Separation from Service due to an Involuntary Termination within twenty-four (24) months following the Change in Control in which this Award is assumed or otherwise continued in effect, all of the restricted stock units at the time subject to this Award shall vest, and the Shares underlying those units shall be issued to Participant in accordance with the applicable provisions of Paragraph 7. Should the restricted stock units be replaced with a cash retention program in accordance with Paragraph 5(a), then the balance credited to Participant under that program at the time of his or her Separation from Service due to an Involuntary Termination shall immediately vest and shall be distributed to Participant in accordance with the applicable provisions of Paragraph 7; **provided, however**, that Participant shall vest and be entitled to such distribution only if such Involuntary Termination occurs within twenty-four (24) months following the Change in Control.

(d) If the restricted stock units subject to this Award at the time of the Change in Control are not assumed or otherwise continued in effect or replaced with a cash retention program in accordance with Paragraph 5(a), then those units shall vest immediately prior to the closing of the Change in Control, and Participant shall become entitled to a vested distribution in accordance with the applicable provisions of Paragraph 7.

(e) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

6. **Adjustment in Shares.** Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares, spin-off transaction, extraordinary dividend or distribution or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, or should the value of outstanding shares of Common Stock be substantially reduced as a result of a spin-off transaction or an extraordinary dividend or distribution, or should there occur any merger, consolidation or other reorganization, then equitable adjustments shall be made by the Plan Administrator to the total number and/or class of securities issuable pursuant to this Award in order to reflect such change and thereby prevent a dilution or enlargement of benefits hereunder. In making such equitable adjustments, the Plan Administrator shall take into account any amounts credited to Participant's book account under Paragraph 4(b) in connection with the transaction, and the determination of the Plan Administrator shall be final, binding and conclusive. In the event of any Change in Control transaction, the adjustment provisions of Paragraph 5(b) shall be controlling.

7. **Issuance or Distribution of Vested Shares or Other Amounts.**

(a) The following provisions shall govern the issuance of the Shares (or any replacement or substitute amounts under Paragraph 5) which vest in accordance with the provisions of this Agreement:

(i) On each Vesting and Issuance Date specified in the Award Notice, the Shares which vest at that time or which are otherwise deemed to have vested during the twelve (12)-month period ending with that date but have not otherwise been issued in accordance with any other applicable provision of this Paragraph 7(a) shall be issued.

(ii) Shares which vest on an accelerated basis upon the Participant's cessation of Service under Paragraph 3(b) or 3(c) or his or her Involuntary Termination under Paragraph 5(c) shall be issued on the date of Participant's Separation from Service due to such cessation of Service or Involuntary Termination. Any distribution from the cash retention program to which Participant is entitled under Paragraph 5(c) upon his or her Involuntary Termination shall be paid in a lump sum on the date of his or her Separation from Service due to such Involuntary Termination. However, any issuance or distribution pursuant to the provisions of this subparagraph (ii) shall be subject to the deferred issuance provisions of Paragraph 8, to the extent applicable.

(iii) Shares which vest under Paragraph 5(d) shall be converted into the right to receive the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of that

Change in Control transaction, and such consideration per Share shall be distributed to Participant upon the **earliest** to occur of (i) the Vesting and Issuance Date on which the particular Shares to which such consideration relates would have been issued in the absence of such Change in Control, (ii) the date of Participant's Separation from Service or (iii) the first date following the Change in Control on which the distribution can be made without contravention of any applicable provisions of Code Section 409A.

(iv) Any issuance or distribution to be made pursuant to the preceding provisions of this Paragraph 7(a) shall be made on the designated issuance or distribution date or as soon as administratively practicable thereafter. In no event, however, shall such issuance or distribution be made later than the **later** of (i) the end of the calendar year in which the applicable issuance or distribution date occurs or (ii) the fifteenth (15th) day of the third (3rd) calendar month following that date.

(v) Each issuance or distribution to be made pursuant to this Paragraph 7(a) shall be subject to the Corporation's collection of all applicable Withholding Taxes, in accordance with the provisions of Paragraphs 7(b) and 7(c), on or before the issuance or distribution date.

(vi) Any Shares to be issued to Participant in accordance with the foregoing provisions of this Paragraph 7(a) shall be in the form of a book entry evidencing ownership of those Shares. Actual certificates for any vested Shares evidenced by book entry ownership shall be promptly delivered upon the request of Participant or any other person having an interest at the time in those Shares.

(b) The Corporation shall collect the Withholding Taxes with respect to each non-Share distribution by withholding a portion of that distribution equal to the amount of the applicable Withholding Taxes, with the cash portion of the distribution to be the first portion so withheld.

(c) Unless Participant (i) otherwise makes satisfactory arrangements with the Corporation's Human Resources Department, on or before the expiration of the designated notification period preceding each applicable vesting date of the Shares, to pay the applicable Withholding Taxes through the delivery of a check payable to the Corporation in the amount of such Withholding Taxes and (ii) in fact delivers such check to the Corporation not later than that vesting date, the Corporation shall collect the Withholding Taxes applicable to the Share issuance through the following automatic share withholding method:

- On each applicable issuance date, the Corporation shall withhold, from the vested Shares otherwise issuable to Participant at that time, a portion of those Shares with a Fair Market Value (measured as of the issuance date) equal to the applicable Withholding Taxes; **provided, however**, that the number of Shares which the Corporation shall be required to so

withhold shall not exceed in Fair Market Value the amount necessary to satisfy the Corporation's required tax withholding obligations using the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to supplemental taxable income.

(d) Except as otherwise provided in Paragraph 5 or this Paragraph 7, the settlement of all restricted stock units which vest under the Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued at the time the Award vests shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

8. **Deferred Issue Date.** Notwithstanding any provision to the contrary in this Agreement, to the extent this Award may be deemed to create a deferred compensation arrangement under Code Section 409A, then the following limitation shall apply:

- No Shares or other amounts which become issuable or distributable under this Agreement upon Participant's Separation from Service shall actually be issued or distributed to Participant prior to the *earlier* of (i) the first day of the seventh (7th) month following the date of such Separation from Service or (ii) the date of Participant's death, if Participant is deemed at the time of such Separation from Service to be a specified employee under Section 1.409A-1(i) of the Treasury Regulations issued under Code Section 409A, as determined by the Plan Administrator in accordance with consistent and uniform standards applied to all other Code Section 409A arrangements of the Corporation, and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). The deferred Shares or other distributable amount shall be issued or distributed in a lump sum on the first day of the seventh (7th) month following the date of Participant's Separation from Service or, if earlier, the first day of the month immediately following the date the Corporation receives proof of Participant's death.

9. **Compliance with Laws and Regulations.** The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any Stock Exchange on which the Common Stock may be listed for trading at the time of such issuance.

10. **Change in Control Benefit Agreement.** Notwithstanding anything to the contrary in this Agreement, if Participant is, at the time of a change in control or ownership of the Corporation (whether or not that transaction constitutes a Change in Control hereunder), a party to a Change in Control Benefit Agreement with the Corporation, then the provisions of that agreement shall, to the extent applicable to this Award, govern Participant's rights and benefits with respect to the restricted stock units and underlying Shares subject to this Agreement, and in the event of any conflict between the provisions of that Change in Control Benefit Agreement and this Agreement, the provisions of the Change in Control Benefit Agreement shall be controlling.

11. **Notices.** Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant's signature line on the Award Notice. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

12. **Successors and Assigns.** Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

13. **Construction.** This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan and any applicable Change in Control Benefits Agreement. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

14. **Governing Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Hawaii without resort to that State's conflict-of-laws rules.

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

A. **Agreement** shall mean this Restricted Stock Unit Award Agreement.

B. **Award** shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.

C. **Award Date** shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date specified in the Award Notice.

D. **Award Notice** shall mean the Notice of Award of Time-Based Restricted Stock Units delivered to Participant in which there is set forth the basic terms of the restricted stock units subject to this Agreement.

E. **Board** shall mean the Corporation's Board of Directors.

F. **Cause** shall mean the commission of any act of fraud, embezzlement or dishonesty by Participant, any unauthorized use or disclosure by Participant of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Participant adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner; ***provided, however***, that in the event Participant is, at the time the Corporation (or any Parent or Subsidiary) purports to terminate Participant's Employee status for Cause, a party to a Change in Control Benefit Agreement applicable to the Award, the term **Cause** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Participant or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan and this Agreement, to constitute grounds for termination for Cause.

G. **Change in Control** shall mean a change of ownership or control of the Corporation effected through any of the following transactions:

(i) a merger, consolidation or other reorganization approved by the Corporation's stockholders, **unless** securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Corporation's outstanding voting securities immediately prior to such transaction,

(ii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets,

(iii) the closing of any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) of the 1934 Act (other than the Corporation or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, the Corporation) becomes directly or indirectly (whether as a result of a single acquisition or by reason of one or more acquisitions within the twelve (12)-month period ending with the most recent acquisition) the beneficial owner (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing (or convertible into or exercisable for securities possessing) thirty-five percent (35%) or more of the total combined voting power of the Corporation's securities (as measured in terms of the power to vote with respect to the election of Board members) outstanding immediately after the consummation of such transaction or series of related transactions, whether such transaction involves a direct issuance from the Corporation or the acquisition of outstanding securities held by one or more of the Corporation's existing stockholders, or

(iv) a change in the composition of the Board over a period of twelve (12) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination;

provided, however, that in the event Participant is a party to a Change in Control Benefit Agreement applicable to the Award, the term **Change in Control** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement.

H. **Change in Control Benefits Agreement** shall mean any separate agreement between Participant and the Corporation which provides Participant with special vesting acceleration and/or other special benefits with respect to one or more awards of restricted stock units made to Participant for shares of Common Stock, including (to the extent applicable) the restricted stock units evidenced by this Agreement, in the event of a change in control or ownership of the Corporation (whether or not constituting a Change in Control hereunder).

I. **Code** shall mean the Internal Revenue Code of 1986, as amended.

J. **Common Stock** shall mean shares of the Corporation's common stock.

K. **Corporation** shall mean Alexander & Baldwin, Inc., a Hawaii corporation, and any successor corporation to all or substantially all of the assets or voting stock of Alexander & Baldwin, Inc. which shall by appropriate action adopt the Plan.

L. **Early Retirement** shall mean Participant's cessation of Service on or after the attainment of age fifty-five (55) and the completion of at least five (5) years of Service.

M. **Employee** shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

N. **Fair Market Value** per share of Common Stock on any relevant date shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on date in question on the Stock Exchange serving as the primary market for the Common Stock, as such price is reported by the National Association of Securities Dealers (if primarily traded on the Nasdaq Global Select Market) or as officially quoted in the composite tape of transactions on any other Stock Exchange on which the Common Stock is then primarily traded. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

O. **Good Reason** shall mean the occurrence of any of the following events effected without Participant's consent: (A) a change in Participant's position with the Corporation (or any Parent or Subsidiary employing Participant) which materially reduces Participant's duties and responsibilities or the level of management to which Participant reports, (B) a relocation of Participant's principal place of employment by more than fifty (50) miles, (C) a reduction in Participant's level of compensation, as measured in terms of base salary, fringe benefits, target annual incentive payment, by more than ten percent (10%) or (D) the failure by the Corporation to continue in effect any stock option or other equity-based plan in which Participant is participating, or in which Participant is entitled to participate, immediately prior to a change in control of the Corporation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan; or the failure by the Corporation to continue Participant's participation therein (or in such substitute or alternative plan) on a substantially equivalent basis, both in terms of the amount or timing of payment of benefits provided and the level of Participant's participation relative to other participants, as existed immediately prior to the change in control of the Corporation. However, in the event Participant is at the time of his or her cessation of Employee status a party to a Change in Control Benefit Agreement applicable to the Award evidenced by this Agreement, the term **Good Reason** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement.

P. **Involuntary Termination** shall mean the termination of Participant's Employee status by reason of:

(i) Participant's involuntary dismissal or discharge by the Corporation for reasons other than for Cause, or

(ii) Participant's voluntary resignation for Good Reason.

Q. **1934 Act** shall mean the Securities Exchange Act of 1934, as amended from time to time.

R. **Normal Retirement** shall mean shall mean the cessation of Service by reason of retirement at or after the attainment of age sixty-five (65).

S. **Participant** shall mean the person to whom the Award is made pursuant to the Agreement.

T. **Parent** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

U. **Permanent Disability** shall mean the inability of Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more.

V. **Plan** shall mean the Corporation's 2007 Incentive Compensation Plan.

W. **Plan Administrator** shall mean either the Board or a committee of the Board acting in its capacity as administrator of the Plan.

X. **Separation from Service** shall, with respect to any Shares or other amounts which vest (or are otherwise deemed to vest) during Participant's period of Service in Employee status but which are not issued or distributed prior to his or her cessation of Employee status, mean the Participant's cessation of Employee status by reason of his or her death, retirement or termination of employment. The Participant shall be deemed to have terminated employment for such purpose at such time as the level of his or her bona fide services to be performed as an Employee (or as a consultant or independent contractor) permanently decreases to a level that is less than fifty percent (50%) of the average level of services he or she rendered as an Employee during the immediately preceding thirty-six (36) months (or such shorter period for which he or she may have rendered such services). Solely for purposes of determining when a Separation from Service occurs, Participant will be deemed to continue in "Employee" status for so long as he or she remains in the employ of one or more members of the Employer Group, subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance. "Employer Group" means the Corporation and any Parent or Subsidiary and any other corporation or business controlled by, controlling or under

common control with, the Corporation, as determined in accordance with Sections 414(b) and (c) of the Code and the Treasury Regulations thereunder, except that in applying Sections 1563(1), (2) and (3) for purposes of determining the controlled group of corporations under Section 414(b), the phrase "at least 50 percent" shall be used instead of "at least 80 percent" each place the latter phrase appears in such sections and in applying Section 1.414(c)-2 of the Treasury Regulations for purposes of determining trades or businesses that are under common control for purposes of Section 414(c), the phrase "at least 50 percent" shall be used instead of "at least 80 percent" each place the latter phrase appears in Section 1.414(c)-2 of the Treasury Regulations. Any such determination as to Separation from Service, however, shall be made in accordance with the applicable standards of the Treasury Regulations issued under Section 409A of the Code. **Separation from Service** shall, with respect to any Shares or other amounts which vest (or are otherwise deemed to vest) during Participant's period of Service solely as a non-employee member of the board of directors of any member of the Employer Group but which are not issued or distributed prior to his or her cessation of such non-employee board service, mean the Participant's cessation of such non-employee board service.

Y. **Service** shall mean Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. For purposes of this Agreement, Participant shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service as an Employee shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; **provided, however**, that the following special provisions shall be in effect for any such leave:

(i) Should the period of such leave (other than a disability leave) exceed six (6) months, then Participant shall be deemed to cease Service and to incur a Separation from Service upon the expiration of the initial six (6)-month period of that leave, unless Participant retains a right to re-employment under applicable law or by contract with the Corporation (or any Parent or Subsidiary).

(ii) Should the period of a disability leave exceed twenty-nine (29) months, then Participant shall be deemed to cease Service and to incur a Separation from Service upon the expiration of the initial twenty-nine (29)-month period of that leave, unless Participant retains a right to re-employment under applicable law or by contract with the Corporation (or any Parent or Subsidiary). For such purpose, a disability leave shall be a leave of absence due to any medically determinable physical or mental impairment that can be expected to result in death or to last for a continuous period of not less than six (6) months and causes Participant to be unable to perform the duties of his or her position of

employment with the Corporation (or any Parent or Subsidiary) or any substantially similar position of employment.

(iii) Except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period Participant is on a leave of absence.

Z. **Stock Exchange** shall mean the American Stock Exchange, the Nasdaq Global or Global Select Market or the New York Stock Exchange.

AA. **Stock Exchange** shall mean the American Stock Exchange, the Nasdaq Global or Global Select Market or the New York Stock Exchange.

BB. **Subsidiary** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

CC. **Withholding Taxes** shall mean the federal, state and local income taxes and the employee portion of the federal, state and local employment taxes required to be withheld by the Corporation in connection with the issuance of the shares of Common Stock which vest under the Award and any phantom dividend equivalents distributed with respect to those shares.

EXHIBIT A

ALEXANDER & BALDWIN, INC.

EXECUTIVE PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

RECITALS

- A. The Corporation has implemented the Plan for the purpose of providing eligible persons in the Corporation's service with the opportunity to participate in one or more cash or equity incentive compensation programs designed to encourage them to continue their service relationship with the Corporation.
- B. Participant is to render valuable services to the Corporation (or any Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's issuance of shares of Common Stock to Participant under the Stock Issuance Program.
- C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Restricted Stock Units.** The Corporation hereby awards to Participant, as of the Award Date, restricted stock units under the Plan. The number of shares of Common Stock underlying the awarded restricted stock units and the applicable performance vesting requirements for those units and the underlying Shares are set forth in the Award Notice. The remaining terms and conditions governing the Award shall be as set forth in this Agreement.
2. **Limited Transferability.** Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the restricted stock units subject to the Award or the underlying Shares or pledge or otherwise hedge the sale of those units or Shares, including (without limitation) any short sale or any acquisition or disposition of any put or call option or other instrument tied to the value of those Shares. However, any Shares which vest hereunder but otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may also direct the Corporation to record the ownership of any Shares which in fact vest and become issuable hereunder in the name of a revocable living trust established for the exclusive benefit of Participant or Participant and his or her spouse. Participant may make such a beneficiary designation or ownership directive at any time by filing the appropriate form with the Plan Administrator or its designee.
3. **Vesting Requirements.** The Shares subject to the Award shall initially be unvested and shall vest only in accordance with the vesting provisions of this Paragraph 3 or the special vesting acceleration provisions of Paragraph 5. The actual number of Shares in which Participant shall vest under this Paragraph 3 shall be determined pursuant to a two-step process:

(i) first there shall be calculated the maximum number of Shares in which Participant can vest based upon the level at which the Performance Goals specified on Schedule I to the Award Notice are actually attained and (ii) then the number of the Performance Shares resulting from the clause (i) calculation in which Participant shall actually vest shall be determined on the basis of his or her completion of the applicable Service vesting provisions set forth below. Accordingly, the vesting of the Shares shall be calculated as follows:

(a) **Performance Vesting:** Within sixty (60) days following the completion of the Performance Period, the Plan Administrator shall determine the applicable number of Performance Shares in accordance with the provisions of the Award Notice and Schedule I attached thereto.

(b) **Service Vesting:** The Performance Shares so determined represent the maximum number of Shares in which Participant can vest hereunder. The actual number of Shares in which Participant shall vest shall be determined as follows:

- If Participant continues in Service through the completion of the Performance Period, Participant shall vest in one hundred percent (100%) of the Performance Shares.

- If Participant ceases Service prior to the completion of the Performance Period by reason of Early Retirement, Normal Retirement, death or Permanent Disability, then Participant shall vest in a portion of the Performance Shares determined by multiplying the maximum number of Performance Shares in which Participant could vest, based on the actual level of Performance Goal attainment for the Performance Period, by a fraction, the numerator of which is the number of months of actual Service completed by Participant in such Performance Period (rounded to the closest whole month), and the denominator of which is the number of months (rounded to the closest whole number) constituting the entire Performance Period.

- If Participant's Service ceases for any other reason prior to the completion of the Performance Period, then Participant shall not vest in any of the Shares.

Schedule I attached to this Agreement sets forth examples illustrating the calculation of the number of Shares in which the Participant may vest based upon hypothetical levels of Performance Goal attainment and service vesting requirements.

4. **Stockholder Rights and Dividend Equivalents**

(a) The holder of this Award shall not have any stockholder rights, including voting, dividend or liquidation rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance upon the Corporation's collection of the applicable Withholding Taxes.

(b) Notwithstanding the foregoing, should any dividend or other distribution payable other than in shares of Common Stock, whether regular or extraordinary, be declared and paid on the Corporation's outstanding Common Stock in one or more calendar years during which Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a phantom dividend equivalent to the actual dividend or distribution which would have been paid on the number of Shares issuable under this Award at Target Level Attainment had that number of Shares been issued and outstanding and entitled to that dividend or distribution. The phantom dividend equivalents credited to the Participant's book account during a particular calendar year shall be distributed to Participant (in cash or such other form as the Plan Administrator may deem appropriate in its sole discretion) in one or more installments completed prior to the last day of that calendar year. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

5. **Change in Control.** The following provisions shall apply only to the extent a Change in Control is consummated prior to the completion of the applicable Performance Period and shall have no force or effect in the event the closing of the Change in Control occurs after the completion of such Performance Period.

(a) This Award may be assumed by the successor entity or otherwise continued in full force and effect or may be replaced with a cash retention program of the successor entity which preserves the Fair Market Value (at the time of the Change in Control) of the maximum number of Shares issuable under this Award at Extraordinary Level Attainment and provides for the subsequent vesting and payout of that value in accordance with the same performance and Service vesting requirements applicable to the Award. In the event of such assumption or continuation of this Award or such replacement of the Award with a cash retention program, no accelerated vesting of the restricted stock units subject to this Award or the underlying Shares shall occur at the time of the Change in Control.

(b) In the event this Award is assumed or otherwise continued in effect, the restricted stock units subject to the Award shall be adjusted immediately after the consummation of the Change in Control so as to apply to the number and class of securities into which the maximum number of Shares issuable under this Award at Extraordinary Level Attainment would have been converted in consummation of that Change in Control had those Shares actually been issued and outstanding at that time. To the extent the actual holders of the outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation (or parent entity) may, in connection with the assumption or continuation of the restricted stock units subject to the Award at that time but subject to the Plan Administrator's approval, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in the Change in Control transaction, provided such common stock is readily tradable on an established U.S. securities exchange or market.

(c) Upon Participant's Separation from Service due to an Involuntary Termination occurring (i) within twenty-four (24) months following the Change in Control in which this Award is assumed or otherwise continued in effect and (ii) prior to the completion of the Performance Period, Participant shall immediately vest in that number of Shares equal to the Performance Shares which would have resulted upon the Corporation's achievement of each applicable Performance Goal at Target Level Attainment, and that number of Shares shall be issued to Participant in accordance with the applicable provisions of Paragraph 8. Should this Award be replaced with a cash retention program in accordance with Paragraph 5(a), then the portion of the balance credited to Participant under such program that would have been earned had the Corporation achieved each of the applicable Performance Goals at Target Level Attainment and had Participant continued in Service through the completion of the Performance Period shall vest upon his or her Separation from Service due to an Involuntary Termination, and that amount shall be distributed to Participant in accordance with the applicable provisions of Paragraph 8; **provided, however**, that Participant shall vest and become entitled to that distribution only if such Involuntary Termination occurs within twenty-four (24) months following the Change in Control and prior to the completion of the Performance Period. Except for the number of Shares and portion of the cash retention balance calculated in accordance with the foregoing provisions of this Paragraph 5(c), Participant shall have no further right or entitlement to any additional Shares or other portion of the cash retention balance upon such Separation from Service. Should Participant's Involuntary Termination occur after the completion of the Performance Period, Participant's rights and entitlement hereunder shall be governed solely by the provisions of Paragraph 3.

(d) If the Award is not assumed by the successor entity or otherwise continued in effect or replaced with a cash retention program in accordance with Paragraph 5(a), then the following provisions shall apply:

(i) If Participant continues in Service through the effective date of the Change in Control, the Participant shall, upon the closing of such Change in Control, vest in that number of Shares equal to the Performance Shares which would have resulted upon the Corporation's achievement of each applicable Performance Goal at Target Level Attainment.

(ii) If Participant ceases Service prior to the completion of the Performance Period by reason of Early Retirement, Normal Retirement, death or Disability and such cessation of Service also occurs prior to the effective date of the Change in Control, then Participant shall, upon the closing of such Change in Control, vest in that number of Shares determined by multiplying (x) the number of Performance Shares which would have resulted upon the Corporation's achievement of each applicable Performance Goal at Target Level Attainment by (y) a fraction, the numerator of which is the number of months of actual Service completed by Participant in such Performance Period (rounded to the closest whole month), and the denominator of which is the number of months (rounded to the closest whole number) constituting the entire Performance Period.

(iii) The Shares in which Participant vests in accordance with subparagraph (i) or (ii) above shall be converted into the right to receive the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of the Change in Control, and such consideration per Share shall be distributed to Participant in accordance with the applicable provisions of Paragraph 8.

(iv) Except for the amount of consideration so calculated, Participant shall have no further right or entitlement to any additional Shares or consideration under this Award.

(e) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

6. **Change in Control Benefit Agreement.** Notwithstanding anything to the contrary in this Agreement, if Participant is, at the time of a change in control or ownership of the Corporation (whether or not that transaction constitutes a Change in Control hereunder), a party to a Change in Control Benefit Agreement with the Corporation, then the provisions of that agreement shall, to the extent applicable to this Award, govern Participant's rights and benefits with respect to the restricted stock units and underlying Shares subject to this Agreement, and in the event of any conflict between the provisions of that Change in Control Benefit Agreement and this Agreement, the provisions of the Change in Control Benefit Agreement shall be controlling.

7. **Adjustment in Shares.** Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares, spin-off transaction, extraordinary dividend or distribution or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, or should the value of outstanding shares of Common Stock be substantially reduced as a result of a spin-off transaction or an extraordinary dividend or distribution, or should there occur any merger, consolidation or other reorganization, then equitable adjustments shall be made by the Plan Administrator to the total number and/or class of securities issuable pursuant to this Award in order to reflect such change and thereby prevent a dilution or enlargement of benefits hereunder. In making such equitable adjustments, the Plan Administrator shall take into account any amounts credited to Participant's book account under Paragraph 4(b) in connection with the transaction, and the determination of the Plan Administrator shall be final, binding and conclusive. In the event of any Change in Control transaction, the adjustment provisions of Paragraph 5(b) shall be controlling.

8. Issuance or Distribution of Vested Shares or Other Amounts.

(a) The Shares (or any replacement or substitute amounts under Paragraph 5) in which Participant vests in accordance with the provisions of this Agreement shall be issued or distributed, following the completion of the Performance Period, in accordance with the following provisions:

(i) If the applicable Performance Period is coincidental with one or more successive complete calendar years, the issuance or distribution shall occur during the period beginning with the first business day of the calendar year immediately succeeding the end of the Performance Period and ending on March 15 of that year.

(ii) If the applicable Performance Period ends on a date other than the last day of the calendar year, then the issuance or distribution shall occur as soon as administratively practicable following the completion of that Performance Period, but no later than the **later** of (A) the last day of the calendar year in which such Performance Period ends or (B) the fifteenth (15th) day of the third (3rd) calendar month following the last day of such Performance Period.

(b) Any Shares to be issued to Participant in accordance with the foregoing provisions of this Paragraph 8(a) shall be in the form of a book entry evidencing ownership of those Shares. Actual certificates for the vested Shares evidenced by book entry ownership shall be promptly delivered upon the request of Participant or any other person having an interest at the time in those Shares.

(c) The Corporation shall collect the Withholding Taxes with respect to each non-Share distribution by withholding a portion of that distribution equal to the amount of the applicable Withholding Taxes, with the cash portion of the distribution to be the first portion so withheld.

(d) Unless Participant (i) otherwise makes satisfactory arrangements with the Corporation's Human Resources Department, on or before the expiration of the designated notification period preceding the applicable vesting date of the Shares, to pay the applicable Withholding Taxes through the delivery of a check payable to the Corporation in the amount of such Withholding Taxes and (ii) in fact delivers such check to the Corporation not later than that vesting date, the Corporation shall collect the Withholding Taxes applicable to the Share issuance through the following automatic share withholding method:

- On the applicable issuance date, the Corporation shall withhold, from the vested Shares otherwise issuable to Participant at that time, a portion of those Shares with a Fair Market Value (measured as of the issuance date) equal to the applicable Withholding Taxes; provided, **however**, that the number of Shares which the Corporation shall be required to so withhold shall not exceed in Fair Market Value the amount necessary to satisfy the Corporation's required tax

withholding obligations using the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to supplemental taxable income.

(e) Except as otherwise provided in Paragraph 5 or this Paragraph 8, the settlement of all restricted stock units which vest under the Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued at the time the Award vests shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

9. **Deferred Issue Date.** Notwithstanding any provision to the contrary in this Agreement, to the extent this Award may be deemed to create a deferred compensation arrangement under Code Section 409A, then the following limitation shall apply:

- No Shares or other amounts which become issuable or distributable under this Agreement upon Participant's Separation from Service shall actually be issued or distributed to Participant prior to the *earlier* of (i) the first day of the seventh (7th) month following the date of such Separation from Service or (ii) the date of Participant's death, if Participant is deemed at the time of such Separation from Service to be a specified employee under Section 1.409A-1(i) of the Treasury Regulations issued under Code Section 409A, as determined by the Plan Administrator in accordance with consistent and uniform standards applied to all other Code Section 409A arrangements of the Corporation, and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). The deferred Shares or other distributable amount shall be issued or distributed in a lump sum on the first day of the seventh (7th) month following the date of Participant's Separation from Service or, if earlier, the first day of the month immediately following the date the Corporation receives proof of Participant's death.

10. **Compliance with Laws and Regulations.** The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any Stock Exchange on which the Common Stock may be listed for trading at the time of such issuance.

11. **Notices.** Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant's signature line on the Award Notice. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

12. **Successors and Assigns.** Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

13. **Construction.** This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan and any applicable Change in Control Benefits Agreement. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

14. **Governing Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Hawaii without resort to that State's conflict-of-laws rules.

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

A. **Agreement** shall mean this Restricted Stock Unit Award Agreement.

B. **Award** shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.

C. **Award Date** shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date specified in Paragraph 1 of the Award Notice.

D. **Award Notice** shall mean the Notice of Award of Performance-Based Restricted Stock Units delivered to Participant in which there is set forth the basic terms of the restricted stock units subject to this Agreement.

E. **Board** shall mean the Corporation's Board of Directors.

F. **Cause** shall mean the commission of any act of fraud, embezzlement or dishonesty by Participant, any unauthorized use or disclosure by Participant of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Participant adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner; ***provided, however,*** that in the event Participant is, at the time the Corporation (or any Parent or Subsidiary) purports to terminate Participant's Employee status for Cause, a party to a Change in Control Benefit Agreement applicable to the Award, the term **Cause** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Participant or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan and this Agreement, to constitute grounds for termination for Cause.

G. **Change in Control** shall mean a change of ownership or control of the Corporation effected through any of the following transactions:

(i) a merger, consolidation or other reorganization approved by the Corporation's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Corporation's outstanding voting securities immediately prior to such transaction,

(ii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets,

(iii) the closing of any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) of the 1934 Act (other than the Corporation or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, the Corporation) becomes directly or indirectly (whether as a result of a single acquisition or by reason of one or more acquisitions within the twelve (12)-month period ending with the most recent acquisition) the beneficial owner (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing (or convertible into or exercisable for securities possessing) thirty-five percent (35%) or more of the total combined voting power of the Corporation's securities (as measured in terms of the power to vote with respect to the election of Board members) outstanding immediately after the consummation of such transaction or series of related transactions, whether such transaction involves a direct issuance from the Corporation or the acquisition of outstanding securities held by one or more of the Corporation's existing stockholders, or

(iv) a change in the composition of the Board over a period of twelve (12) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination;

provided, however, that in the event Participant is a party to a Change in Control Benefit Agreement applicable to the Award, the term **Change in Control** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement.

H. **Change in Control Benefits Agreement** shall mean any separate agreement between Participant and the Corporation which provides Participant with special vesting acceleration and/or other special benefits with respect to one or more awards of restricted stock units made to Participant for shares of Common Stock, including (to the extent applicable) the restricted stock units evidenced by this Agreement, in the event of a change in control or ownership of the Corporation (whether or not constituting a Change in Control hereunder).

I. **Code** shall mean the Internal Revenue Code of 1986, as amended.

J. **Common Stock** shall mean shares of the Corporation's common stock.

K. **Corporation** shall mean Alexander & Baldwin, Inc., a Hawaii corporation, and any successor corporation to all or substantially all of the assets or voting stock of Alexander & Baldwin, Inc. which shall by appropriate action adopt the Plan.

L. **Early Retirement** shall mean Participant's cessation of Service on or after the attainment of age fifty-five (55) and the completion of at least five (5) years of Service.

M. **Employee** shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

N. **Extraordinary Level Attainment** shall mean the Corporation's achievement of each Performance Goal set forth in Schedule I to the Award Notice at the level designated as Extraordinary Level attainment for that goal.

O. **Fair Market Value** per share of Common Stock on any relevant date shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading beings) on date in question on the Stock Exchange serving as the primary market for the Common Stock, as such price is reported by the National Association of Securities Dealers (if primarily traded on the Nasdaq Global Select Market) or as officially quoted in the composite tape of transactions on any other Stock Exchange on which the Common Stock is then primarily traded. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

P. **Good Reason** shall mean the occurrence of any of the following events effected without Participant's consent: (A) a change in Participant's position with the Corporation (or any Parent or Subsidiary employing Participant) which materially reduces Participant's duties and responsibilities or the level of management to which Participant reports, (B) a relocation of Participant's principal place of employment by more than fifty (50) miles, (C) a reduction in Participant's level of compensation, as measured in terms of base salary, fringe benefits, target annual incentive payment, by more than ten percent (10%) or (D) the failure by the Corporation to continue in effect any stock option or other equity-based plan in which Participant is participating, or in which Participant is entitled to participate, immediately prior to a change in control of the Corporation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan; or the failure by the Corporation to continue Participant's participation therein (or in such substitute or alternative plan) on a substantially equivalent basis, both in terms of the amount or timing of payment of benefits provided and the level of Participant's participation relative to other participants, as existed immediately prior to the change in control of the Corporation.

However, in the event Participant is at the time of his or her cessation of Employee status a party to a Change in Control Benefit Agreement applicable to the Award evidenced by this Agreement, the term **Good Reason** shall have the meaning ascribed to that term in such Change in Control Benefit Agreement.

Q. **Involuntary Termination** shall mean the Participant's Separation from Service by reason of:

- (i) Participant's involuntary dismissal or discharge by the Corporation for reasons other than for Cause, or
- (ii) Participant's voluntary resignation for Good Reason.

R. **1934 Act** shall mean the Securities Exchange Act of 1934, as amended from time to time.

S. **Normal Retirement** shall mean shall mean the cessation of Service by reason of retirement at or after the attainment of age sixty-five (65).

T. **Participant** shall mean the person to whom the Award is made pursuant to the Agreement.

U. **Parent** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

V. **Performance Goals** shall mean the performance goals specified on Schedule I of the Award Notice.

W. **Performance Period** shall mean the period specified on Schedule I of the Award Notice over which the attainment of the Performance Goals is to be measured.

X. **Performance Shares** shall mean the maximum number of Shares in which Participant can vest based on the level at which the Performance Goals for the Performance Period are attained and shall be calculated in accordance with the provisions of the Award Notice. In no event shall the number of such Performance Shares exceed two hundred percent (200%) of the designated number of Shares set forth in the Number of Shares Subject to Award section of the Award Notice.

Y. **Permanent Disability** shall mean the inability of Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more.

Z. **Plan** shall mean the Corporation's 2007 Incentive Compensation Plan.

AA. **Plan Administrator** shall mean either the Board or a committee of the Board acting in its capacity as administrator of the Plan.

BB. **Separation from Service** shall mean the Participant's cessation of Employee status by reason of his or her death, retirement or termination of employment. The Participant shall be deemed to have terminated employment for such purpose at such time as the level of his or her bona fide services to be performed as an Employee (or as a consultant or independent contractor) permanently decreases to a level that is less than fifty percent (50%) of the average level of services he or she rendered as an Employee during the immediately preceding thirty-six (36) months (or such shorter period for which he or she may have rendered such services). Solely for purposes of determining when a Separation from Service occurs, Participant will be deemed to continue in "Employee" status for so long as he or she remains in the employ of one or more members of the Employer Group, subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance. "Employer Group" means the Corporation and any Parent or Subsidiary and any other corporation or business controlled by, controlling or under common control with, the Corporation, as determined in accordance with Sections 414(b) and (c) of the Code and the Treasury Regulations thereunder, except that in applying Sections 1563(1), (2) and (3) for purposes of determining the controlled group of corporations under Section 414(b), the phrase "at least 50 percent" shall be used instead of "at least 80 percent" each place the latter phrase appears in such sections and in applying Section 1.414(c)-2 of the Treasury Regulations for purposes of determining trades or businesses that are under common control for purposes of Section 414(c), the phrase "at least 50 percent" shall be used instead of "at least 80 percent" each place the latter phrase appears in Section 1.414(c)-2 of the Treasury Regulations. Any such determination as to Separation from Service, however, shall be made in accordance with the applicable standards of the Treasury Regulations issued under Section 409A of the Code.

CC. **Service** shall mean Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. For purposes of this Agreement, Participant shall be deemed to cease Service immediately upon the occurrence of the either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service as an Employee shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; **provided, however**, that the following special provisions shall be in effect for any such leave:

(i) Should the period of such leave (other than a disability leave) exceed six (6) months, then Participant shall be deemed to cease Service and to incur a Separation from Service upon the expiration of the initial six (6)-month period of that leave, unless Participant retains a right to re-employment under applicable law or by contract with the Corporation (or any Parent or Subsidiary).

(ii) Should the period of a disability leave exceed twenty-nine (29) months, then Participant shall be deemed to cease Service and to incur a Separation from Service upon the expiration of the initial twenty-nine (29)-month period of that leave, unless Participant retains a right to re-employment under applicable law or by contract with the Corporation (or any Parent or Subsidiary). For such purpose, a disability leave shall be a leave of absence due to any medically determinable physical or mental impairment that can be expected to result in death or to last for a continuous period of not less than six (6) months and causes Participant to be unable to perform the duties of his or her position of employment with the Corporation (or any Parent or Subsidiary) or any substantially similar position of employment.

(iii) Except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period Participant is on a leave of absence.

DD. **Shares** shall mean the shares of Common Stock which may vest and become issuable under the Award pursuant to the terms of this Agreement and the Award Notice.

EE. **Stock Exchange** shall mean the American Stock Exchange, the Nasdaq Global or Global Select Market or the New York Stock Exchange.

FF. **Subsidiary** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

GG. **Target Level Attainment** shall mean the Corporation's achievement of each Performance Goal set forth in Schedule I to the Award Notice at the level designated as Target Level attainment for that goal.

HH. **Withholding Taxes** shall mean the federal, state and local income taxes and the employee portion of the federal, state and local employment taxes required to be withheld by the Corporation in connection with the vesting and issuance of the shares of Common Stock which vest under the Award and any phantom dividend equivalents distributed with respect to those shares.

A.

SCHEDULE I

ILLUSTRATION OF VESTING CALCULATIONS

The following examples are for illustration purposes only:

1. Participant receives an Award for 1,000 Shares at Target Level and Participant continues in Service until the expiration of the Performance Period. If each of the Performance Goals is attained at the Target Level, Participant shall vest in all 1,000 Shares. If each of the Performance Goals is attained at the Extraordinary Level, Participant shall vest in an additional 1,000 Shares for a total of 2,000 Shares.
2. Participant receives an Award for 1,000 Shares at Target Level and Participant ceases Service due to Permanent Disability halfway through the Performance Period. If each of the Performance Goals is attained at the Target Level, Participant shall vest in 500 of the Shares. On the other hand, if each of the Performance Goals is attained at the Extraordinary Level, Participant shall vest in an additional 500 Shares for a total of 1,000 Shares.
3. Participant receives an Award for 1,000 Shares at Target Level and Participant continues in Service through the expiration of the Performance Period. If each of the Performance Goals is attained at a point halfway between the Threshold and Target Levels, Participant shall vest in 750 of the Shares. On the other hand, if each of the Performance Goals is attained at a point halfway between the Target and Extraordinary Levels, Participant shall vest in an additional 750 Shares for a total of 1,500 Shares.
4. Participant receives an Award for 1,000 Shares at Target Level and Participant ceases Service due to Permanent Disability halfway through the Performance Period. If each of the Performance Goals is attained at a point halfway between the Threshold and Target Levels, Participant shall vest in 375 of the Shares. On the other hand, if each of the Performance Goals is attained at a point halfway between the Target and Extraordinary Levels, Participant shall vest in an additional 375 Shares for a total of 750 Shares.

ARTICLE I

ESTABLISHMENT AND PURPOSE

- 1.01 **Establishment of Plan.** Alexander & Baldwin, Inc. established the A&B Executive Survivor/Retirement Benefit Plan (the "Plan"), effective January 1, 1986.
- 1.02 **Purpose of Plan.** It is the purpose of the Plan to provide supplemental pre-retirement death benefits, supplemental retirement benefits, and an optional supplemental post-retirement death benefit for certain designated executives of the Employer. The Plan is intended to be exempt from the participation, vesting, funding and fiduciary requirements of Title I of the Employee Retirement Income Security Act of 1974 because it provides benefits for a select group of highly compensated management employees.

ARTICLE II

DEFINITIONS

- 2.01 **"Actuarial Equivalent"** means a form of benefit differing in time, period, or manner of payment from a specified benefit provided in the Plan, but having the same present value when determined in accordance with generally accepted actuarial practices, as more particularly specified by the definition of the term "Equivalent Actuarial Value" in the A&B Retirement Plan for Salaried Employees.
- 2.02 **"A&B"** means Alexander & Baldwin, Inc., a Hawaii corporation.
- 2.03 **"A&B Retirement Plan"** means the A&B Retirement Plan for Salaried Employees or the Retirement Plan for Employees of Matson, as amended from time to time.
- 2.04 **"Approved Early Retirement Date"** means a date which meets each of the following requirements:
- (a) The Participant has attained age 55,
 - (b) The Participant has at least five Years of Service, and
 - (c) The retirement date has been approved by the Chief Executive Officer of A&B.

- 2.05 **“Base Compensation”** means base salary, including amounts deferred under any deferral plan or arrangement with A&B, but excluding incentive compensation and all other plans or forms of remuneration.
- 2.06 **“Beneficiary”** means the person, persons or entity designated pursuant to Section 4.11.
- 2.07 **“Board”** means the Board of Directors of A&B.
- 2.08 **“Change in Control”** shall mean a change of ownership or control of A&B effected through any of the following transactions:
- (a) A change in effective control of A&B as defined in Treasury Regulation 1.409A - 3(i)(s)(vi); or
 - (b) A change in ownership of A&B as defined in Treasury Regulation § 1.409A – 3(i)(5)(v); or
 - (c) A change in ownership of a substantial portion of A&B assets as defined in Treasury Regulation § 1.409A – 3(i)(5)(vii).
- 2.09 **“Code”** means the Internal Revenue Code of 1986, as amended.
- 2.10 **“Committee”** means the Compensation Committee of the Board.
- 2.11 **“Disabled”** or **“Disability”** means a Participant who is unable to perform substantially all of the material and substantial duties of her or his regular position because of accidental bodily injury sustained or disease originating after the date of such person’s designation as a Participant under this Plan. Notwithstanding the foregoing:
- (a) if a Participant has been Disabled for a continuous period of 24 months, the Participant will cease to be considered Disabled unless he or she is unable to perform any occupation for which the Participant is or becomes reasonably qualified by education, training or experience because of such bodily injury or sickness; and
 - (b) a Participant is not Disabled at any time that the Participant is working for pay or profit at any occupation.
- 2.12 **“Early Retirement Factor”** means the reduction factors used to calculate early retirement benefits under the A&B Retirement Plan for participants of such plan who retire from active service at or after attaining age 55.
- 2.13 **“Employer”** shall mean A&B or the entity for whom services are performed and with respect to whom the legally binding right to compensation arises, and all entities with whom A&B would be considered a single employer under Section 414(b) of the Code;

provided that in applying Section 1563(a)(1), (2), and (3) of the Code for purposes of determining a controlled group of corporations under Section 414(b) of the Code, the language “at least 50 percent” is used instead of “at least 80 percent” each place it appears in Section 1563(a)(1), (2), and (3) of the Code, and in applying Treasury Regulation § 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Section 414(c) of the Code, “at least 50 percent” is used instead of “at least 80 percent” each place it appears in Treasury Regulation § 1.414(c)-2; provided, however, “at least 20 percent” shall replace “at least 50 percent” in the preceding clause if there is a legitimate business criteria for using such lower percentage.

2.14 **“Final Base Compensation”** means a Participant’s Base Compensation in effect, as applicable (i) at the time of the Participant’s Separation from Service, Participant’s death, or Change in Control for purposes of Section 4.08(b)(1) or (2), or (ii) immediately prior to Participant’s Disability leave, as provided in Section 4.12(d), and computed as an annual amount by multiplying the then applicable monthly Base Compensation in effect by 12.

2.15 **“Identification Date”** shall mean each December 31.

2.16 **“Immediate Change in Control Benefit”** means the benefit described in subsection 4.08(a).

2.17 **“Involuntary Separation Benefit”** means the benefit described in Section 4.05.

2.18 **“Key Employee”** shall mean a Participant who, on an Identification Date, is:

- (a) An officer of A&B having annual compensation greater than the compensation limit in Section 416(i)(1)(A)(i) of the Code, provided that no more than fifty officers of A&B shall be determined to be Key Employees as of any Identification Date;
- (b) A five percent owner of A&B; or
- (c) A one percent owner of A&B having annual Compensation from A&B of more than \$150,000.

If a participant is identified as a Key Employee on an Identification Date, then such participant shall be considered a Key Employee for purposes of the Plan during the period beginning on the first April 1 following the Identification Date and ending on the next March 31. For purposes of this Section 2.18 only and for determining whether a participant is a Key Employee, “A&B” shall mean A&B and its affiliates that are treated as a single employer under Section 414(b) or (c) of the Code, and for purposes of determining whether a Participant is a Key Employee, Treasury Regulation § 1.415(c) - 2(d)(4) shall be used to calculate compensation.

- 2.19 **“Normal Retirement Benefit”** means ten annual amounts, each equal to the percentage (which shall be not less than 5% nor greater than 35%) of the Participant’s Final Base Compensation as specified in such Participant’s individual participating agreement, payable in monthly installments, or the lump sum Actuarial Equivalent if the Participant so elects and as provided in Section 4.10.
- 2.20 **“Normal Retirement Date”** means the first day of the month coincident with or next following the date the Participant attains age 65.
- 2.21 **“Normal Survivor Benefit”** means ten annual amounts, each equal to 50% of the Participant’s Final Base Compensation, payable in monthly installments, or the lump sum Actuarial Equivalent if the Participant so elects and as provided in Section 4.10.
- 2.22 **“Participant”** means an employee who meets the conditions set forth in Section 3.01.
- 2.23 **“Participation Agreement”** means the agreement that must be executed in order to participate in the Plan, as set forth in Section 3.01.
- 2.24 **“Participation Termination Benefit”** means the benefit described in Section 4.06.
- 2.25 **“Plan”** means the A&B Executive Survivor/Retirement Benefit Plan, as amended from time to time.
- 2.26 **“Plan Termination Benefit”** means the benefit described in Section 4.07.
- 2.27 **“Pre-Retirement Survivor Benefit”** means the benefit described in Section 4.02.
- 2.28 **“Prorated Retirement Benefit”** means Normal Retirement Benefit multiplied by the Proration Factor.
- 2.29 **“Prorated Survivor Benefit”** means Normal Survivor Benefit multiplied by the Proration Factor.
- 2.30 **“Proration Factor”** means:
- (a) In the case of a Participant who is a Participant in the A&B 1985 Supplemental Executive Retirement Plan, or who was a former Participant in such plan, the ratio of (i) 300 minus the number of completed months between the date of calculation and the Participant’s Normal Retirement Date, to (ii) 300.
 - (b) In the case of all other Participants, the ratio of (i) the Participant’s Years of Service as of the calculation date, to (ii) the Years of Service the Participant would have earned at his or her Normal Retirement Date had he or she remained in employment status until such date.

- 2.31 **“Separation from Service”** shall mean termination of employment with the Employer, other than due to death. A Participant shall be deemed to have experienced a Separation from Service if the Participant’s service with the Employer is reduced to an annual rate that is less than fifty percent of the services rendered, on average, during the immediately preceding three full years of employment with the Employer (or if employed by the Employer less than three years, such lesser period).
- 2.32 **“Vested Change in Control Benefit”** means the benefit described in Section 4.08(a).
- 2.33 **“Years of Service”** means the number of years and fractions of years which qualify as Years of Credited Vesting Service as that term is defined in the A&B Retirement Plan.

ARTICLE III

PARTICIPATION

- 3.01 **Participation.** Participants shall be management or highly compensated employees who have been specifically designated as Participants by the Chief Executive Officer of A&B, who have demonstrated insurability to the satisfaction of A&B, and who have executed a Participation Agreement (including a waiver of group life insurance coverage over \$50,000). Participation will begin on the date specified in the Participation Agreement and shall continue until the earlier of the Participant’s Separation from Service or until a determination by the Chief Executive Officer of A&B that the Participant no longer is eligible to participate.

ARTICLE IV

BENEFITS

- 4.01 **Plan Benefits.** A Participant shall be entitled to whichever of the benefits provided by Sections 4.02 to 4.09 provides the greatest benefit. Under no circumstance shall a Participant be entitled to benefits provided by more than one such Section.
- 4.02 **Pre-Retirement Survivor Benefit.** Except as provided in Sections 4.06 and 4.07, the Beneficiary of a Participant who dies before Separation from Service shall be entitled to receive a Pre-Retirement Survivor Benefit consisting of the Normal Survivor Benefit; provided, however, that such benefit must be paid or commence within 90 days following the Participant’s death.
- 4.03 **Normal/Late Retirement Benefit.**
- (a) **Eligibility.** A Participant who meets the following requirements shall be entitled to the Normal/Late Retirement Benefit described in subsection (b) below:

- (1) The Participant has completed three years of participation in the Plan; and
 - (2) The Participant experiences a Separation from Service on or after his or her Normal Retirement Date.
- (b) **Benefit.** A Participant's Normal/Late Retirement Benefit shall be the benefit in paragraph (2) below unless prior to Separation from Service, the Participant has applied in writing to receive the benefit in paragraph (1) below in lieu of the benefit in paragraph (2) below and the Committee has approved such request; provided that no such request shall become effective until 12 months after the date it is received by the Committee.
- (1) The Participant's Normal Survivor Benefit, which shall be effective on the first day of the month following the Participant's death and be paid or commence as soon as practicable, but no later than 90 days, after the Participant's death.
 - (2) The Participant's Normal Retirement Benefit, which shall be effective on the first day of the month following his or her Separation from Service and be paid or commence within 90 days following his or her Separation from Service.

4.04 **Approved Early Retirement Benefit.**

- (a) **Eligibility.** A Participant who meets the following requirements shall be entitled to the Approved Early Retirement Benefit described in subsection (b) below:
- (1) The Participant has completed three years of participation in the Plan, and
 - (2) The Participant experiences a Separation from Service on or after his or her Approved Early Retirement Date and before his or her Normal Retirement Date.
- (b) **Benefit.** A Participant's Approved Early Retirement Benefit shall be the benefit in paragraph (2) below unless prior to Separation from Service, the Participant has applied in writing to receive the benefit in paragraph (1) below in lieu of the benefit in paragraph (2) below and the Committee has approved such request; provided that no such request shall become effective until 12 months after the date it is received by the Committee.
- (1) The Participant's Normal Survivor Benefit, which shall be effective on the first day of the month following the Participant's death and be paid or commence as soon as practicable, but no later than 90 days, after the Participant's death.

- (2) The Participant's Normal Retirement Benefit multiplied by the Early Retirement Factor applicable at the Participant's age as of his or her Approved Early Retirement Date, which shall be effective on the first day of the month following his or her Separation from Service and be paid or commence within 90 days following his or her Separation from Service.

4.05 **Involuntary Separation Benefit.**

- (a) **Eligibility.** A Participant who meets the following requirements shall be entitled to the Involuntary Separation Benefit described in subsection (b) below:
 - (1) The Participant has completed three years of participation in the Plan, and
 - (2) The Participant experiences an involuntary Separation from Service.
- (b) **Benefit.** A Participant's Involuntary Separation Benefit shall be a lump sum payment which is the greater of the Actuarial Equivalent of the benefits defined in paragraph (1) below or the Actuarial Equivalent of the benefits defined in paragraph (2) below. The Involuntary Separation Benefit shall be paid as soon as practicable, but no later than 90 days, after the date of the Participant's involuntary Separation from Service.
 - (1) The Participant's Prorated Survivor Benefit calculated as of the date of the involuntary Separation from Service as if commencing at the time of Participant's death.
 - (2) The Participant's Prorated Retirement Benefit calculated as of the date of the involuntary Separation from Service as if commencing on the Participant's Normal Retirement Date.

4.06 **Participation Termination Benefit.**

- (a) **Eligibility.** A Participant who meets the following requirements shall be entitled to the Participation Termination Benefit described in subsection (b) below:
 - (1) The Participant has completed three years of participation in the Plan, and
 - (2) The Participant's participation in the Plan is terminated prior to the Participant's Separation from Service as a result of the determination by the Chief Executive Officer that the Participant is no longer eligible to participate in the Plan.
- (b) **Benefit.** A Participant's Participation Termination Benefit shall be the benefit in paragraph (1) below prior to the Participant's Separation from Service. Upon the

Participant's Separation from Service, it shall be the benefit in paragraph (2) below unless the Participant has applied in writing to receive the benefit in paragraph (1) below in lieu of the benefit in paragraph (2) below and the Committee has approved such request; provided that no such request shall become effective until 12 months after the date it is received by the Committee.

- (1) The Participant's Prorated Survivor Benefit calculated as of the date that the Participant's participation in the Plan was terminated, which shall be effective on the first day of the month following the Participant's death and be paid or commence as soon as practicable, but not later than 90 days, after the Participant's death.
- (2) The Participant's Prorated Retirement Benefit calculated as of the date that the Participant's participation in the Plan was terminated and as commencing on the Participant's Normal Retirement Date or Approved Early Retirement Date, whichever is applicable, provided that if the benefit is paid or commences on an Approved Early Retirement Date it shall be multiplied by the Early Retirement Factor applicable to the Participant's age as of his or her Approved Early Retirement Date. This benefit shall be effective on the first day of the month following, and be paid or commence as soon as practicable, but not later than 90 days, following the later of the Participant attaining age 55 or his or her Separation from Service.

4.07 **Plan Termination Benefit.**

- (a) **Eligibility.** A Participant of the Plan as of the date the Plan is terminated by the Committee shall be entitled to the Plan Termination Benefit described in subsection (b) below; provided, however, that for this Section 4.07 termination of the Plan shall mean that benefits payable under the Plan shall be frozen at the date of termination; provided further that termination shall not have the same meaning as provided in Treasury Regulation §1.409A-3(j)(4)(ix).
- (b) **Benefit.** A Participant's Plan Termination Benefit shall be the benefit in paragraph (1) below prior to the Participant's Separation from Service. Upon the Participant's Separation from Service, it shall be the benefit in paragraph (2) below unless prior to Separation from Service, the Participant has applied in writing to receive the benefit in paragraph (1) below in lieu of the benefit in paragraph (2) below and the Committee has approved such request; provided that no such request shall become effective until 12 months after the date it is received by the Committee.
 - (1) The Participant's Prorated Survivor Benefit calculated as of the Plan termination date, which shall be effective on the first day of the month

following the Participant's death and be paid or commence as soon as practicable, but not later than 90 days, after the Participant's death.

- (2) The Participant's Prorated Retirement Benefit calculated as of the Plan termination date and as commencing on the later of the first day of the month following the Participant's Separation from Service or the date that would have qualified as, the Participant's Approved Early Retirement Date if he or she had remained employed as a Participant until such date and then received approval from the Chief Executive Officer for such early retirement, provided that if the benefit is paid or commences on such an early retirement date, it shall be multiplied by the Early Retirement Factor applicable to the Participant's age as of such early retirement date. This benefit shall be effective on the first day of the month following, and be paid or commence as soon as administratively practicable, but no later than 90 days, following the later of the Participant attaining age 55 or his or her Separation from Service.

4.08 **Change in Control Benefits.**

- (a) **Change in Control of A&B.** Upon the occurrence of a Change in Control, as defined in Section 2.08, with respect to A&B, the provisions of paragraph (1) below shall apply unless the terms of such Change in Control provide, as a prerequisite to the consummation of the Change in Control, that the employer responsibilities under this Plan are to be assumed by the successor organization. In such latter case, the provisions of paragraph (2) below shall apply.
 - (1) The Plan shall immediately and automatically terminate in accordance with Treasury Regulation § 1.409A-3(j)(4)(ix) and each Participant shall become entitled to an Immediate Change in Control Benefit. The Immediate Change in Control Benefit shall be a lump sum payment which is the greater of the Actuarial Equivalent of the benefits defined in paragraph (b)(1) below or the Actuarial Equivalent of the benefits defined in (b)(2). The Immediate Change in Control Benefit shall be immediately due and shall be paid within thirty days of such Plan termination.
 - (2) Each Participant, as defined in this paragraph (2), shall become entitled to a Vested Change in Control Benefit. Upon future Separation from Service, the Participant shall be entitled to the greater of his or her Vested Change in Control Benefit or the benefits otherwise provided by any other benefit section of this Plan. Prior to the Participant's Separation from Service, a Participant's Vested Change in Control Benefit shall be the benefit in paragraph (b)(1) below. Upon the Participant's Separation from Service (voluntary or involuntary), however, the Participant's Vested Change in Control Benefit shall be the greater of the Actuarial Equivalent of benefits defined in paragraph (b)(1) below, the Actuarial Equivalent of

the benefits defined in paragraph (b)(2) below, and the Actuarial Equivalent of the benefits defined in paragraph (b)(3) below. Such Change in Control Benefit shall be made in a lump sum payment within 90 days following his or her Separation from Service.

(b) **Benefits.**

- (1) The Participant's Normal Survivor Benefit determined as of the date of the Change in Control, which shall be effective on the first day of the month following the Participant's death and be paid or commence as soon as practicable, but not later than 90 days, after the Participant's death.
- (2) The Participant's Normal Retirement Benefit determined as of the date of the Change in Control:
 - (i) commencing on the first day of the first month that would have qualified as the Participant's Approved Early Retirement Date if he or she had remained employed as a Participant until such date and then received approval from the Chief Executive Officer for such early retirement, and
 - (ii) multiplied by the Early Retirement Factor applicable to the Participant's age at the date the benefit commences.
- (3) Benefits provided by any other section of this Plan.

4.09 **Benefits Upon Change in Control of a Subsidiary.** Upon the occurrence of a Change in Control, as defined in Section 2.08, with respect to a subsidiary of A&B, (i) a Participant who is an employee of such subsidiary shall be entitled to the lump-sum equivalent of a Plan Termination Benefit, determined as if the Plan terminated as of the date of the Change in Control, which shall be immediately due and shall be paid within thirty days of the Change in Control, and (ii) there will be no further obligation to pay benefits under this Plan to Participants who are employees of such subsidiary unless the terms of such Change in Control provide, as a prerequisite to the consummation of the Change in Control, that the employer responsibilities under this Plan are to be assumed by the successor organization.

4.10 **Form of Benefits.** Subject to Section 4.12(f)(2), a Participant may elect, in writing, to have the payment of the Normal/Late Retirement Benefit, the Approved Early Retirement Benefit, the Pre-Retirement Survivor Benefit, the Participation Termination Benefit and the Plan Termination Benefit under the Plan made in a lump sum; instead of 120 monthly installments, which shall be the default form of benefit unless otherwise specified in the Plan. Effective on January 1, 2009, such election shall become irrevocable on the 31st day immediately following the date on which the Participant first becomes eligible to participate in the Plan. A Participant may elect only one form of payment, which will be

applicable for all forms of benefits that are elective and payable under this Plan. If the Participant makes no election, then his or her benefit shall be paid in 120 monthly installments.

4.11 **Designation of Beneficiaries.** A Participant may file with the Administrator on forms provided by the Administrator a written designation of one or more primary beneficiaries and one or more contingent beneficiaries to whom benefits otherwise due the Participant shall be made after the death of the Participant. Such payments will be divided among the primary beneficiaries who survive the Participant in such proportion as directed in the written designation. If no primary Beneficiary survives the Participant for 30 days, such payment will be divided among the contingent beneficiaries who survive the Participant for 30 days in such proportion as directed in the written designation. If no primary or contingent Beneficiary survives the Participant for 30 days, or if no Beneficiary has been designated by the Participant, such payments will be made to the estate of the Participant. A Beneficiary may not, under any circumstances, change the time and form of the payments due to them pursuant to this Plan.

4.12 **Additional Benefits Provisions**

- (a) **Benefit Agreement.** The Administrator shall provide to each Participant a form of Participation Agreement which shall set forth the Participant's acceptance of the benefits provided under the Plan and the Participant's Participation Agreement to be bound by the terms of the Plan.
- (b) **Exclusion for Suicide or Self-Inflicted Injury.** Notwithstanding any other provision of the Plan, no benefits shall be paid to any Participant or Beneficiary in the event of the death of the Participant as the result of suicide or self-inflicted injury within two years of the later of the date he or she first became a Participant or the date the Participant executed the Participation Agreement referred to in subsection 3.01.
- (c) **Leave of Absence.** A Participant who is on an approved bona fide leave of absence with salary, or on an approved bona fide leave of absence without salary for a period of not more than 90 days, shall be deemed to be a Participant employed by the Employer during such leave of absence. A Participant who is on an approved bona fide leave of absence with salary for a period in excess of six months shall be deemed to have experienced a Separation from Service as of the end of the first six months of such leave of absence, if the Participant does not have a contractual or statutory right to reemployment. A Participant who is on an approved bona fide leave of absence without salary for a period in excess of 90 days shall be deemed to have experienced a voluntary Separation from Service as of the end of such 90-day period, if the Participant does not have a contractual or statutory right to reemployment.

- (d) **Disability Leave.** A Disabled Participant shall continue to be eligible for retirement benefits under the Plan, regardless of the nonperformance of services for the Employer. Failure to return to employee status at the termination of the Disabled Participant's Disabled status shall be deemed a voluntary Separation from Service if the Participant is offered employment in a position substantially equivalent to the position held by the Participant at the time his or her disabled status began. Otherwise, such failure to return to employee status shall be deemed an involuntary Separation from Service. Paragraph 4.12(c) shall be applied in determining whether the Participant has experienced a Separation from Service.
- (e) **Termination for Good Cause.** Notwithstanding any other provision of this Plan, all rights of the Participant, any Beneficiary, or the rights of their executors or administrators, or any other person, to receive benefits under this Plan shall be forfeited if the Participant's employment with the Employer is terminated for Good Cause. For purposes of this subsection, "Good Cause" means (a) the willful and continued failure by a Participant to substantially perform his or her duties with the Employer (other than any such failure resulting from a Participant's incapacity due to physical or mental illness) or (b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Employer, monetarily or otherwise. For purposes of this definition, no act, or failure to act, shall be considered "willful" unless done, or omitted to be done, not in good faith and without reasonable belief that the action or omission was in the best interest of the Employer.
- (f) **Alternative Time and Form of Benefit.**
- (1) **Special Distribution Election on or before December 31, 2007.** Participants who are identified by A&B, in its sole discretion, may make a special distribution election to receive a distribution in a time other than that elected in prior years; provided that the distribution election is made and irrevocable at least twelve months in advance of the newly elected distribution date (and the previously scheduled distribution date, if any) and the election is made no later than December 31, 2007. An election made pursuant to this subparagraph (1) shall be subject to any special administrative rules imposed by the Board of Directors or the Committee including rules intended to comply with Section 409A of the Code. No election under this subparagraph (1) shall (i) change the payment date of any distribution otherwise scheduled to be paid in 2007 or cause a payment to be paid in 2007, or (ii) be permitted after December 31, 2007.
- (2) **Special Distribution Election on or before December 31, 2008.** Participants who are identified by A&B, in its sole discretion, may make a special distribution election to receive a distribution in a time and form other than that elected in prior years; provided that the distribution election is made and irrevocable at least twelve months in advance of the newly

elected distribution date (and the previously scheduled distribution date, if any) and the election is made no later than December 31, 2008. An election made pursuant to this subparagraph (1) shall be subject to any special administrative rules imposed by the Board of Directors or the Committee including rules intended to comply with Section 409A of the Code. No election under this subparagraph (1) shall (i) change the payment date of any distribution otherwise scheduled to be paid in 2008 or cause a payment to be paid in 2008, or (ii) be permitted after December 31, 2008.

- (3) The Board of Directors or the Committee in its sole discretion may elect to pay a Participant's spouse or Beneficiary a lump-sum Actuarial Equivalent or other form of benefit that it deems appropriate in lieu of the benefit form otherwise provided with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treasury Regulation § 1.409A - 1(c)(2), is less than the Code Section 402(g)(1)(B) limit.

(g) **Withholding.** Benefit payments hereunder shall be subject to applicable federal, state and local withholding for taxes.

4.13 **Group Life Insurance.** A&B will maintain for each Participant, throughout each Participant's lifetime, group life insurance coverage in the amount of \$50,000. The life insurance benefits payable under such group life insurance will be in addition to the benefits payable under the provisions of this plan, and will be in lieu of any life insurance benefits to which a Participant may otherwise be entitled under the Alexander & Baldwin, Inc. Retiree Health and Welfare Benefit Plan.

4.14 **Six-Month Delay for Key Employees.** Notwithstanding any other provision in this Article IV to the contrary, any distribution scheduled to be made upon Separation from Service to a Participant who is identified as a Key Employee as of the date he or she experiences a Separation from Service shall be delayed for a minimum of six months following the Participant's Separation from Service. Any payment to a Key Employee delayed under this Section 4.14 shall be made within 90 days after the six-month anniversary of the Participant's Separation from Service. The identification of a Participant as a Key Employee shall be made by the Committee in accordance with Section 2.18 of the Plan and sections 416(i) and 409A of the Code and the regulations promulgated thereunder.

4.15 **Valuation of Benefits.** Unless otherwise specified in the Plan, the amount of benefits to be distributed under the Plan, including the Actuarial Equivalent lump sum amounts, shall be determined on the first day of the month following (i) the date on which the Participant experiences a Separation from Service or (ii) the date of the Participant's death, whichever is applicable.

4.16 **Effective Date of Death Benefit Election.** If an election to receive a survivor benefit in lieu of a retirement benefit under Section 4.03, 4.04, 4.06 or 4.07 is not effective prior to the date that a Participant experiences a Separation from Service, a Participant's election to receive a survivor benefit in lieu of a retirement benefit shall be void.

ARTICLE V

SOURCE OF PAYMENTS

5.01 **Source of Payments.** All benefits payable under this Plan shall be paid in cash from the general funds of the Employer, and no trust account, escrow, fiduciary relationship or other security arrangement shall be established to assure payment. No Participant or Beneficiary shall have any right, title or interest whatsoever in any investments which the Employer may make to aid it in meeting its obligations hereunder. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Employer and any Participant, any Beneficiary or a Participant, or any other person. Any amounts payable under the Plan shall continue for all purposes to be part of the general assets of the Employer and, thus, subject to the claims of the Employer's creditors. The Employer shall in no way be restricted with regard to the control, investment and use of such amounts. To the extent that any person acquires a right to receive benefits from the Employer under this Plan, such right shall be no greater than, nor different from, the right of an unsecured general creditor of the Employer.

ARTICLE VI

ADMINISTRATION OF THE PLAN

6.01 **Administrator.** The administrator of the A&B Retirement Plan shall be the administrator of this Plan (the "Administrator"). The Administrator shall have full authority to administer the Plan. The Administrator shall have all of the powers granted by the A&B Retirement Plan to the Administrator of such plan and shall be subject to the same procedures and limitations of authority.

6.02 **Claims Procedure.** The Administrator shall employ the claims procedures as are applicable under the A&B Retirement Plan.

ARTICLE VII

AMENDMENT AND TERMINATION

- 7.01 The right to amend, modify, partially terminate, or completely terminate this Plan is reserved to the Committee; provided, however, that any termination of the Plan will be done pursuant to Section 409A of the Code and the regulations promulgated thereunder. However, no amendment, modification or termination shall adversely affect the right of any Participant or Beneficiary who is receiving benefits under the Plan at the time of such amendment, modification or termination or who is entitled to benefits under the provisions of Section 4.06 as a former Participant of the Plan. The rights of other Participants as of the date the Plan is terminated shall be determined under the provisions of Section 4.07.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

- 8.01 **Benefits Not Assignable.** No Participant or Beneficiary, or any other person having or claiming to have any interest of any kind or character in or under this Plan or in any payment therefrom shall have the right to sell, assign, transfer, convey, hypothecate, anticipate, pledge or otherwise dispose of such interest; and to the extent permitted by law, such interest shall not be subject to any liabilities or obligations of the Participant or to any bankruptcy proceedings, creditor claims, attachment, garnishments, execution, levy or other legal process against such Participant or his or her property.
- 8.02 **Controlling Law.** This Plan shall be construed, administered, and governed in all respects in accordance with the laws of the State of Hawaii.
- 8.03 **Not an Employment Contract.** The adoption and maintenance of this Plan shall not be deemed to confer on any Participant any right to continue in the employ of the Employer, and shall not be deemed to interfere with the right of the Employer to discharge any person with or without cause or treat any person without regard to the effect that such treatment might have on the person as a Participant.
- 8.04 **Binding Agreement.** This Plan shall be binding upon and inure to the benefit of the Employer, its successors and assigns, and the Participants and their beneficiaries, heirs, executors, administrators and legal representatives.

[Signatures follow on next page]

ALEXANDER & BALDWIN, INC.

By: /s/ Son-Jai Paik
Vice President

By: /s/ Alyson J. Nakamura
Secretary

ALEXANDER & BALDWIN, INC.
NOTICE OF AWARD OF PERFORMANCE-BASED RESTRICTED STOCK UNITS

The Corporation hereby awards to Participant, as of the Award Date indicated below, an award (the "Award") of restricted stock units under the Corporation's 2007 Incentive Compensation Plan (the "Plan"). Each restricted stock unit represents the right to receive one share of Common Stock on the vesting date of that unit. The number of shares of Common Stock subject to the awarded restricted stock units and the applicable performance vesting requirements for those units and the underlying shares are set forth below. The remaining terms and conditions governing the Award, including the applicable service vesting requirements, shall be as set forth in the form Performance-Based Restricted Stock Unit Award Agreement for Awards with combined performance and service vesting requirements.

AWARD SUMMARY

Participant

Award Date:

Number ___ of ___ Shares The number of shares of Common Stock issuable pursuant to the Award shall be determined in accordance with the Vesting Schedule below. For purposes of the percentage calculations set forth in the Performance Vesting section of such schedule, the designated number of shares of Common Stock to be utilized is ___ shares (the "Designated Shares").
Subject to Award:

Vesting Schedule:

The number of shares of Common Stock which may actually vest and become issuable pursuant to the Award shall be determined pursuant to a two-step process: (i) first there shall be calculated the maximum number of shares of Common Stock in which Participant can vest under the Performance Vesting section below based upon the actual level at which each of the Performance Goals specified on attached Schedule I is attained and (ii) then the number of shares calculated under clause (i) in which Participant may actually vest shall be determined on the basis of his or her completion of the applicable Service vesting provisions set forth in the form Performance-Based Restricted Stock Unit Award Agreement.

Performance Vesting: Attached Schedule I specifies each of the Performance Goals established for the Performance Period. For each Performance Goal, there are three designated levels of attainment set forth in Schedule I: Threshold, Target and Extraordinary. The Designated Shares subject to this Award are hereby allotted to each Performance Goal as follows: (i) _____ percent (___%) of the Designated Shares is allotted to Performance Goal One set forth in Schedule I, and (ii) the remaining _____ percent (___%) of the Designated Shares is allotted to Performance Goal Two set forth in Schedule I. Within sixty (60) days after the completion of the Performance Period, the Plan Administrator shall determine and certify the actual level of attainment for each Performance Goal and shall then measure that level of attainment against the Threshold, Target and Extraordinary Levels set forth for that Performance Goal in attached Schedule I. The maximum number of shares of Common Stock in which Participant can vest based upon the actual level of attainment of each Performance Goal shall be determined by applying the corresponding percentage below for that level of attainment to the number of Designated Shares allotted to that particular Performance Goal in accordance with forgoing allocation (the "Allotted Shares"):

Attainment below the Threshold Level:	0% of the Allotted Shares
Attainment at the Threshold Level:	50% of the Allotted Shares
Attainment at the Target Level:	100% of the Allotted Shares
Attainment at Extraordinary Level:	200% of the Allotted Shares

To the extent the actual level of attainment of a Performance Goal is at a point between the Threshold and Target Levels, the maximum number of shares of Common Stock allotted to that Performance Goal in which Participant can vest shall be pro-rated between the two points on a straight line basis.

To the extent the actual level of attainment of a Performance Goal is at a point between the Target and Extraordinary Levels, the maximum number of shares of Common Stock allotted to that Performance Goal in which Participant can vest shall be pro-rated between the two points on a straight line basis.

The maximum number of shares of Common Stock in which Participant can vest on the basis of the foregoing performance measures shall be hereinafter designated the "Performance Shares" and shall in no event exceed in the aggregate 200% of the number of Designated Shares set forth in the Number of Shares Subject to Award section above.

Service Vesting. The number of Performance Shares in which Participant actually vests shall be determined on the basis of his or her satisfaction of the Service-vesting requirements set forth in Paragraph 3 of the form Performance-Based Restricted Stock Unit Award Agreement.

Participant understands and agrees that the Award is granted subject to and in accordance with the terms of the Plan and hereby agrees to be bound by the terms of the Plan and the terms of the Award as set forth in the form Performance-Based Restricted Stock Unit Award Agreement attached hereto as Exhibit A. Participant hereby acknowledges the receipt of a copy of the official prospectus for the Plan in the form attached hereto as Exhibit B. A copy of the Plan is available upon request made to the Corporate Secretary at the Corporation's principal offices.

Continuing Consent. Participant further acknowledges and agrees that, except to the extent the Plan Administrator notifies Participant in writing to the contrary, each subsequent award of combined performance and service-vesting restricted stock units made to him or her under the Plan shall be subject to the same terms and conditions set forth in the form Performance-Based Restricted Stock Unit Award Agreement attached to his or her initial performance and service-vesting Award, and Participant hereby accepts those terms and conditions for each such subsequent performance and service-vesting restricted stock unit award that may be made to him or her under the Plan and hereby agrees to be bound by those terms and conditions for any such restricted stock unit awards, without any further consent or acceptance required on his or her part at the time or times when those awards may be made. However, Participant may, at any time he or she holds an outstanding performance and service-vesting restricted stock unit award under the Plan, request a written copy of the form Performance-Based Restricted Stock Unit Award Agreement from the Corporation by contacting the Corporation's Human Resources Department at the Corporation's headquarters at 822 Bishop Street, Honolulu, HI 96813.

Employment at Will. Nothing in this Notice or in the form Performance-Based Restricted Stock Unit Award Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without cause.

Definitions. All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or in the form Performance-Based Restricted Stock Unit Award Agreement for performance and service-vesting Awards.

DATED: _____

ALEXANDER & BALDWIN, INC.

By: _____

Title: Vice President

PARTICIPANT

Address: _____

SCHEDULE I

PERFORMANCE PERIOD, PERFORMANCE GOALS AND LEVELS OF ATTAINMENT

The Performance Period shall be coincident with the Corporation's 20__ fiscal year and shall accordingly commence on January 1, 20__ and end on December 31, 20__.

The Performance Goals which shall determine the number of shares of Common Stock which are to vest as Performance Shares under the Award shall be as follows:

Performance Goal One to which _____ percent (__%) of the Designated Shares subject to this Award is allotted shall be tied to the Corporation's pre-tax income for the Performance Period. The required levels of attainment of pre-tax income for the Performance Period at the Threshold, Target and Extraordinary Levels are as follows:

Threshold Level: _____

Target Level: _____

Extraordinary Level _____

Performance Goal Two to which the remaining _____ percent (__%) of the Designated Shares subject to this Award is allotted shall be tied to the Corporation's return on invested capital ("ROIC") for the Performance Period. The required levels of attainment of ROIC for the Performance Period at the Threshold, Target and Extraordinary Levels are as follows:

Threshold Level: _____

Target Level: _____

Extraordinary Level _____

Pre-tax income and ROIC shall be calculated on a consolidated basis with the Corporation's consolidated subsidiaries for financial reporting purposes and shall be determined on the basis of the Corporation's audited financial statements for the Performance Period, subject to any adjustments as determined by the Plan Administrator that are needed to accurately reflect the performance of the Corporation (e.g., because of changes in accounting rules, extraordinary gains from the sale of the Corporation's assets, unforeseen extraordinary events affecting the Corporation or any of its business operations, or other similar or dissimilar circumstances occurring during the Performance Period that may or may not have been beyond the control of the Corporation).

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT dated as of March 7, 2008 (this "Agreement"), is entered into among ALEXANDER & BALDWIN, INC. (the "Borrower"), the Lenders party to the Credit Agreement (as defined below) and FIRST HAWAIIAN BANK, as Agent (in such capacity, the "Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement.

RECITALS

A. The Borrower, the Lenders and the Agent entered into that certain Credit Agreement dated as of December 28, 2006 (as amended and modified from time to time, the "Credit Agreement").

B. The parties hereto have agreed to amend the Credit Agreement as provided herein.

C. In consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows.

AGREEMENT

1. Amendments.

(a) Section 1.01. The definition of "Swing Line Sublimit" in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"Swing Line Sublimit" means an amount equal to the lesser of (a) \$50,000,000 minus the outstanding principal amount of all Swing Line Loans (under and as defined in the Matson Credit Agreement) and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments.

(b) Section 2.02(a). The second sentence of Section 2.02(a) of the Credit Agreement is amended and restated in its entirety to read all follows:

Each such notice must be received by the Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of Eurodollar Loans and (ii) two Business Days prior to the requested date of any Borrowing of Base Rate Loans, of any conversion to or continuation of Eurodollar Loans or of any conversion of Eurodollar Loans to Base Rate Loans.

(c) Section 2.05(a). The first sentence of Section 2.05(a) of the Credit Agreement is amended and restated in its entirety to read all follows:

The Borrower may, upon notice to the Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurodollar Loans and (B) two Business Days prior to any date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a

principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding.

2. Effectiveness; Conditions Precedent. This Amendment shall be effective upon receipt by the Agent of copies of this Amendment duly executed by the Borrower and the Required Lenders.

3. Ratification of Credit Agreement. The Borrower acknowledges and consents to the terms set forth herein and agrees that this Agreement does not impair, reduce or limit any of its obligations under the Loan Documents.

4. Authority/Enforceability. The Borrower represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligations, enforceable in accordance with its terms.

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Person of this Agreement, or, if such consent is required, it has been obtained.

(d) The execution and delivery of this Agreement does not (i) violate, contravene or conflict with any provision of its, or its Subsidiaries' Organization Documents or (ii) materially violate, contravene or conflict with any Laws applicable to it or any of its Subsidiaries.

5. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Lenders that after giving effect to this Agreement (a) the representations and warranties of the Borrower set forth in Article V of the Credit Agreement are true and correct in all material respects as of the date hereof, and (b) no event has occurred and is continuing which constitutes a Default or an Event of Default.

6. Counterparts/Telecopy. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of executed counterparts of this Agreement by telecopy or pdf shall be effective as an original.

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 LAWS OF THE STATE OF NEW YORK.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER: ALEXANDER & BALDWIN, INC.,
a Hawaii corporation

By: /s/ Chris Benjamin
Name: Chris Benjamin
Title: SVP, CEO & Treasurer

By: /s/ Paul Ito
Name: Paul Ito
Title: Vice President, Controller & Assistant Treasurer

ADMINISTRATIVE
AGENT: FIRST HAWAIIAN BANK,
as Agent

By: /s/ Jeffrey N. Higashi
Name: Jeffrey N. Higashi
Title: Vice President

LENDERS: FIRST HAWAIIAN BANK,
as Lender and Swing Line Lender

By: /s/ Jeffrey N. Higashi
Name: Jeffrey N. Higashi
Title: Vice President

BANK OF AMERICA, N.A.,
as Lender

By: /s/ Gordon H. Gray
Name: Gordon H. Gray
Title: Sr. VP

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Lender

By: /s/ Gavin S. Holles
Name: Gavin S. Holles
Title: Vice President

BNP PARIBAS,
as Lender

By: /s/ Katherine Wolfe
Name: Katherine Wolfe
Title: Managing Director

By: /s/ Sandy Bertram
Name: Sandy Bertram
Title: Vice President

AMERICAN SAVINGS BANK, F.S.B.,
as Lender

By: /s/ Carl A. Morita
Name: Carl A. Morita
Title: Vice President

BANK OF HAWAII,
as Lender

By: /s/ Steven R. Nakahara
Name: Steven R. Nakahara
Title: Vice President

Summarized financial information for Matson Navigation Company, Inc. as of December 28, 2007, December 29, 2006, and December 30, 2005 is as follows (in millions, except current ratio):

	As of December 28, 2007	As of December 29, 2006	As of December 30, 2005
Current assets	\$ 241	\$ 237	\$ 242
Current liabilities	\$ 198	\$ 176	\$ 180
Current ratio	1.22:1	1.35:1	1.34:1
Working capital	\$ 43	\$ 61	\$ 62
Other assets	\$ 1,055	\$ 1,018	\$ 942
Long-term liabilities	\$ 605	\$ 623	\$ 553
Net worth	\$ 494	\$ 456	\$ 451

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT dated as of March 7, 2008 (this "Agreement"), is entered into among MATSON NAVIGATION COMPANY, INC. (the "Borrower"), the Lenders party to the Credit Agreement (as defined below) and FIRST HAWAIIAN BANK, as Agent (in such capacity, the "Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement.

RECITALS

A. The Borrower, the Lenders and the Agent entered into that certain Credit Agreement dated as of December 28, 2006 (as amended and modified from time to time, the "Credit Agreement").

B. The parties hereto have agreed to amend the Credit Agreement as provided herein.

C. In consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows.

AGREEMENT

1. Amendments.

(a) Section 1.01. The definition of "Swing Line Sublimit" in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"Swing Line Sublimit" means an amount equal to the lesser of (a) \$50,000,000 minus the outstanding principal amount of all Swing Line Loans (under and as defined in the Alexander & Baldwin Credit Agreement) and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments.

(b) Section 2.02(a). The second sentence of Section 2.02(a) of the Credit Agreement is amended and restated in its entirety to read all follows:

Each such notice must be received by the Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of Eurodollar Loans and (ii) two Business Days prior to the requested date of any Borrowing of Base Rate Loans, of any conversion to or continuation of Eurodollar Loans or of any conversion of Eurodollar Loans to Base Rate Loans.

(c) Section 2.05(a). The first sentence of Section 2.05(a) of the Credit Agreement is amended and restated in its entirety to read all follows:

The Borrower may, upon notice to the Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurodollar Loans and (B) two Business Days prior to any date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a

principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding.

2. Effectiveness; Conditions Precedent. This Amendment shall be effective upon receipt by the Agent of copies of this Amendment duly executed by the Borrower and the Required Lenders.

3. Ratification of Credit Agreement. The Borrower acknowledges and consents to the terms set forth herein and agrees that this Agreement does not impair, reduce or limit any of its obligations under the Loan Documents.

4. Authority/Enforceability. The Borrower represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligations, enforceable in accordance with its terms.

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Person of this Agreement, or, if such consent is required, it has been obtained.

(d) The execution and delivery of this Agreement does not (i) violate, contravene or conflict with any provision of its, or its Subsidiaries' Organization Documents or (ii) materially violate, contravene or conflict with any Laws applicable to it or any of its Subsidiaries.

5. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Lenders that after giving effect to this Agreement (a) the representations and warranties of the Borrower set forth in Article V of the Credit Agreement are true and correct in all material respects as of the date hereof, and (b) no event has occurred and is continuing which constitutes a Default or an Event of Default.

6. Counterparts/Telecopy. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of executed counterparts of this Agreement by telecopy or pdf shall be effective as an original.

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 LAWS OF THE STATE OF NEW YORK.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER: MATSON NAVIGATION COMPANY, INC.,
a Hawaii corporation

By: /s/ J. S. Andrasick
Name: J. S. Andrasick
Title: President & CEO

By: /s/ Timothy H. Reid
Name: Timothy H. Reid
Title: Treasurer

ADMINISTRATIVE
AGENT: FIRST HAWAIIAN BANK,
as Agent

By: /s/ Jeffrey N. Higashi
Name: Jeffrey N. Higashi
Title: Vice President

LENDERS: FIRST HAWAIIAN BANK,
as Lender and Swing Line Lender

By: /s/ Jeffrey N. Higashi
Name: Jeffrey N. Higashi
Title: Vice President

BANK OF AMERICA, N.A.,
as Lender

By: /s/ Gordon H. Gray
Name: Gordon H. Gray
Title: Sr. VP

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Lender

By: /s/ Gavin S. Holles
Name: Gavin S. Holles
Title: Vice President

BNP PARIBAS,
as Lender

By: /s/ Katherine Wolfe
Name: Katherine Wolfe
Title: Managing Director

By: /s/ Sandy Bertram
Name: Sandy Bertram
Title: Vice President

AMERICAN SAVINGS BANK, F.S.B.,
as Lender

By: /s/ Carl A. Morita
Name: Carl A. Morita
Title: Vice President

BANK OF HAWAII,
as Lender

By: /s/ Steven R. Nakahara
Name: Steven r. Nakahara
Title: Vice President