

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): **January 23, 2013**

MATSON, INC.

(Exact Name of Registrant as Specified in its Charter)

Hawaii
(State or Other Jurisdiction
of Incorporation)

001-34187
(Commission File Number)

99-0032630
(IRS Employer
Identification Number)

**1411 Sand Island Parkway
Honolulu, Hawaii 96819**
(Address of Principal Executive Offices) (Zip Code)

(808) 848-1211
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

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

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Material Compensatory Plan, Contract or Arrangement.

1. Performance Share Awards. On January 23, 2013, the Compensation Committee (the "Compensation Committee") of the Board of Directors of Matson, Inc. (the "Company") authorized performance share awards under the Company's 2007 Incentive Compensation Plan, as amended (the "2007 Plan"), to approximately seventy (70) individuals, including each of the Company's executive officers. The number of performance share units awarded to each of our executive officers is as follows:

<u>Name</u>	<u>Number of Performance Shares</u>
Matthew J. Cox	27,892
Joel M. Wine	10,227
Kevin C. O'Rourke	5,579
Ronald J. Forest	5,579
Vicente S. Angoco	5,579

Each performance share award is subject to performance-vesting and service-vesting requirements. The performance-vesting requirement is tied to the Company's average annual return on invested capital (which we refer to as "average ROIC"), as measured over the three-year period beginning January 1, 2013 and ending December 31, 2015. Performance Share awards for the senior leadership team will also be modified based on total shareholder return performance (which we refer to as the "TSR modifier") measured over the same three year period. The service-vesting provisions of each award require the award recipient to remain in continuous service with the Company until the end of the three-year measurement period in order to vest in any shares that become issuable on the basis of the performance-vesting criteria. The service-vesting requirement will be deemed satisfied on a pro rata basis to the extent the award recipient ceases service with the Company during the three-year measurement period by reason of death, disability or retirement, with such pro-ration to be applied to the number of shares resulting from the Company's satisfaction of the performance-vesting criteria. Special vesting provisions will apply in the event of a change in control of the Company.

Provided the service-vesting requirement is satisfied, the percentage of performance shares that vest will initially be based on the average ROIC over the three-year period and determined in accordance with the following schedule:

<u>Attainment Level</u>	<u>% of Goal Attained</u>	<u>% of Performance Shares</u>
At the Threshold Level	80%	25%
At the Target Level	100%	100%
At the Extraordinary Level	120%	200%

No shares will be earned if performance is below the threshold level. Performance between threshold and target or target and extraordinary levels will be pro-rated between the two points on a straight line basis. For senior leadership participants the number of performance shares will then be adjusted by the relative TSR modifier as follows:

<u>Relative TSR</u>	<u>TSR Modifier Adjustment</u>
≥ 75 th percentile	+ 25%
50 th percentile	0%
≤ 25 th percentile	- 25%

The relative TSR is based on the Company's total shareholder return over the three-year measurement period relative to the shareholder return over the same period for the companies comprising the S&P Transportation Select Industry Index and S&P MidCap 400 Index (with each index weighted 50%). Straight line interpolation will be used to determine the adjustment should the Company's relative TSR fall between the 25th and 75th percentiles. As a result, should the Company's average ROIC over the three-year period equal or exceed the "Extraordinary Level" and the Company's relative TSR over the same period be at or above the 75th percentile, a maximum of two-hundred-and-fifty percent (250%) of the number of shares issuable at target level performance may become issuable.

Within sixty (60) days after the close of the three-year measurement period, the Compensation Committee will determine and certify the Company's average ROIC for the three-year period and the relative TSR modifier. The shares of common stock that vest and become issuable under each performance share award on the basis of that certification and the completion of the service-vesting requirement will be issued as soon as administratively practicable thereafter.

A copy of the standard form of Performance Share Award Agreement for executive employees is attached as Exhibit 10.2 to this Current Report on Form 8-K.

2. Time-Based Restricted Stock Unit Awards. On January 23, 2013, the Compensation Committee also authorized time-based restricted stock unit awards under the 2007 Plan to approximately eighty-four (84) individuals, including each of our executive officers. The number of such restricted stock units awarded to each executive officer is as follows:

<u>Name</u>	<u>Number of Restricted Stock Units</u>
Matthew J. Cox	61,920
Joel M. Wine	17,045
Kevin C. O'Rourke	9,298
Ronald J. Forest	9,298
Vicente S. Angoco	9,298

Sixty percent (60%) of each restricted stock unit award (70% percent for the CEO) will vest in a series of three (3) successive equal annual installments over a three (3)-year period measured from the award date. The remaining restricted stock unit award will also vest over a three (3)-year period, however, at a rate of 40% on the first anniversary of the grant date, 40% on the second anniversary of the grant date, and 20% on the third anniversary of the grant date. The award will vest in full on an accelerated basis should the award recipient cease employment with the Company by reason of death or permanent disability or by reason of an involuntary termination (including a resignation for good reason) within twenty-four (24) months following a change in control of the Company. The restricted stock unit award will also vest on a pro-rata basis upon the award recipient's retirement.

Each restricted stock unit that vests will entitle the award recipient to one share of the Company's common stock. The shares will be issued as the restricted stock units vest.

A copy of the standard form of Time-Based Restricted Stock Unit Award Agreement for executive employees is attached as Exhibit 99.7 to our registration statement on Form S-8, filed with the Securities and Exchange Commission (the "Commission") on October 26, 2012.

3. Adoption of the Matson, Inc. Cash Incentive Plan. On January 23, 2013 the Compensation Committee also adopted and approved the Matson, Inc. Cash Incentive Plan (the "Incentive Plan"), pursuant to which the Company's executive officers and other employees may become entitled to cash bonus payments based on attainment of specified corporate performance goals and individual goals for each year. On June 24, 2013 the Company's board of directors adopted and approved the Incentive Plan.

At the beginning of each year, the Compensation Committee will establish the target bonuses for each participant and corporate performance goals and individual goals to be used as the basis for each participant's bonus for that year. For each goal established, a bonus opportunity (stated as a percentage of salary) will be set at one or more levels to be paid based on the level of attainment for that goal (e.g., threshold, target, extraordinary). The corporate goals will be based on the performance goals listed in the Incentive Plan, which includes among others, pre-tax income, cash flow, revenue and earnings before interest, taxes, depreciation, and amortization ("EBITDA").

At the end of each year, the Compensation Committee will determine the level of attainment of each of the goals established for that year. Based on the Compensation Committee's determination of the attained level of performance, an initial determination of each participant's bonus will be made. The Compensation Committee will have the discretion to increase or decrease the amount of such bonus awards if the Compensation Committee believes that the initial bonus amount does not accurately reflect corporate or individual performance.

On January 23, 2013, the Compensation Committee established the target bonuses for awards under the Incentive Plan for the 2013 fiscal year. The corporate and individual performance goals for payment of bonuses will be established during the Compensation Committee meeting in February 2013. The target bonus and maximum bonus, expressed as a percent of base salary, payable to each of our executive officers is as follows:

Name	Target Bonus (%)	Maximum Bonus (%)
Matthew J. Cox	90%	180%
Joel M. Wine	60%	120%
Kevin C. O'Rourke	50%	100%
Ronald J. Forest	50%	100%
Vicente S. Angoco	50%	100%

A copy of the Incentive Plan is attached as Exhibit 10.5 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are provided herewith:

Exhibit No.	Description
10.1	Form of Notice of Performance Share Award Grant
10.2	Form of Matson, Inc. Performance Share Award Agreement
10.3	Form of Notice of Time-Based Restricted Stock Unit Grant (incorporated by reference to Exhibit 99.5 to our registration statement on Form S-8, filed with the Commission on October 26, 2012)
10.4	Form of Matson, Inc. Time-Based Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 99.7 to our registration statement on Form S-8, filed with the Commission on October 26, 2012)
10.5	Matson, Inc. Cash Incentive Plan

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 hereunto duly authorized.

Matson, Inc.

January 29, 2013

By:

/s/ Joel M. Wine

Name: Joel M. Wine

Title: Senior Vice President and Chief Financial Officer.

Exhibit Index

Exhibit No.	Description
10.1	Form of Notice of Performance Share Award Grant
10.2	Form of Matson, Inc. Performance Share Award Agreement

- 10.3 Form of Notice of Time-Based Restricted Stock Unit Grant (incorporated by reference to Exhibit 99.5 to our registration statement on Form S-8, filed with the Commission on October 26, 2012)
- 10.4 Form of Matson, Inc. Time-Based Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 99.7 to our registration statement on Form S-8, filed with the Commission on October 26, 2012)
- 10.5 Matson, Inc. Cash Incentive Plan

MATSON, INC.
EXECUTIVE NOTICE OF AWARD OF PERFORMANCE SHARES

The Corporation hereby awards to Participant, as of the Award Date indicated below, an award (the "Award") of Performance Shares under the Corporation's 2007 Incentive Compensation Plan (the "Plan"). Each Performance Share represents the right to receive one or more shares of Common Stock on the applicable issuance date following the vesting of that Performance Share. The number of Performance Shares subject to this Award and the applicable performance vesting requirements for those Performance Shares and the underlying shares are set forth below. The remaining terms and conditions governing the Award, including the applicable service vesting requirements and the applicable issuance date or dates for the shares of Common Stock that vest under the Award, shall be as set forth in the form Performance Share Award Agreement for Awards with combined performance and service vesting requirements.

AWARD SUMMARY

Participant

Award Date: _____, 20____

Performance 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 number of shares of Common Stock to be utilized is _____ shares (the "Performance Shares").

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 (A) the actual level at which the Performance Goal specified on attached Schedule I is attained and (B) any adjustment by reason of the relative TSR Modifier specified on attached Schedule I 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 satisfaction of the applicable Service vesting requirements set forth in the form Performance Share Award Agreement.

Performance Vesting: Attached Schedule I specifies the Performance Goal, the TSR Modifier and Performance Period established for the Award.

Performance Goal: For the Performance Goal, there are three designated levels of attainment set forth in Schedule I: Threshold, Target and Extraordinary. Within sixty (60) days after the completion of the Performance Period, the Plan Administrator shall determine and certify the actual level of attainment for the 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 such Performance Goal shall initially be determined by applying the corresponding percentage below for that level of attainment to the number of Designated Shares set forth above:

Attainment below the Threshold Level:	_____ % of the Performance Shares
Attainment at the Threshold Level:	_____ % of the Performance Shares
Attainment at the Target Level:	_____ % of the Performance Shares
Attainment at Extraordinary Level:	_____ % of the Performance Shares

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

TSR Modifier: After the number of shares of Common Stock in which Participant can vest based on the level of attainment of the Performance Goal is determined, the relative TSR Modifier may either increase or decrease the number of shares from + _____ % to - _____ %.

Performance-Qualified Shares: The maximum number of shares of Common Stock in which Participant can vest on the basis of the foregoing performance measures (as adjusted by the TSR Modifier) shall be hereinafter designated the "Performance-Qualified Shares" and shall in no event exceed in the aggregate _____ % of the number of Designated Shares set forth in the Number of Shares Subject to Award section above.

Service Vesting. The number of Performance-Qualified 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 Share 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 Share Award Agreement attached hereto as Exhibit A. A copy of the Plan is available upon request made to the Human Resources Department at the Corporation's principal offices (1411 Sand Island Parkway, Honolulu, HI 96819).

(a) Participant is subject to the Matson, Inc. Policy Regarding Recoupment of Certain Compensation, effective as of January 1, 2011, the terms of which are hereby incorporated herein by reference and receipt of a copy of which Participant hereby acknowledges; and

(b) any incentive compensation that is paid or granted to, or received by, Participant on or after January 1, 2011 (including any incentive compensation that is paid to, or received by, Participant on or after January 1, 2011 pursuant to an incentive compensation award made to Participant prior to January 1, 2011) and during the three-year period preceding the date on which the Corporation is required to prepare an accounting restatement due to material non-compliance with any applicable financial reporting requirements under the federal securities laws shall, accordingly, be subject to recovery and recoupment pursuant to the terms of such policy.

For purposes of such recoupment policy, "incentive compensation" means all cash or equity-based bonus (e.g., any stock award, restricted stock unit award or stock option grant or shares of Common Stock issued thereunder) or any profit sharing payment or distribution that is based upon the achievement of financial performance metrics. An additional copy of the recoupment policy 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 Performance Shares made to him or her under the Plan shall be subject to the same terms and conditions set forth in the form Performance Share Award Agreement attached hereto as Exhibit A, and Participant hereby accepts those terms and conditions for each such subsequent Performance Shares 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 Performance Share 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 Share award under the Plan, request a written copy of the form Performance Share Award Agreement from the Corporation by contacting the Corporation's Human Resources Department at the Corporation's principal offices.

Employment at Will. Nothing in this Notice or in the form Performance Share 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 Share Award Agreement.

DATED: _____, 20____

MATSON, INC.

By: _____

Title: _____

PARTICIPANT

Address: _____

SCHEDULE I

PERFORMANCE PERIOD, PERFORMANCE GOAL, LEVELS OF ATTAINMENT AND TSR MODIFIER

PERFORMANCE PERIOD

The Performance Period shall be the three (3)-year period beginning _____ and ending _____.

PERFORMANCE GOAL — RETURN ON INVESTED CAPITAL

The performance vesting requirement for this Award shall be tied to the level of attainment of the Average ROIC for the Performance Period. The required levels of attainment of Average ROIC for the Performance Period at the Threshold, Target and Extraordinary Levels are as follows:

Threshold Level:	%
Target Level:	%
Extraordinary Level	%

“Average ROIC” shall be the percentage, rounded down to the nearest whole percent, determined as follows:

$$\frac{\text{Annual ROIC for } + \text{Annual ROIC for } + \text{Annual ROIC for}}{3}$$

“Annual ROIC” for a calendar year shall be the percentage determined as follows:

$$\frac{\text{Net Income After Tax} + \text{After Tax Interest Expense}}{\text{Average Debt} + \text{Average Total Shareholders' Equity}} \times 100$$

Annual ROIC for a calendar year shall be calculated on a consolidated basis with the Corporation’s consolidated subsidiaries for U.S. financial reporting purposes and shall be determined on the basis of the Corporation’s audited financial statements for such year prepared in accordance with United States generally accepted accounting principles, 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).

“Average Debt” for a calendar year means the average of the Debt at the beginning of the year and Debt at the end of the year.

“Debt” means long-term debt plus notes payable and current portion of the long term debt, as determined in accordance with United States generally accepted accounting principles, and is intended to include potential convertible debt and other hybrid debt issued in the future.

Unless otherwise defined above or in the Notice of Award of Performance Shares to which this Schedule is attached, capitalized terms used in this Schedule shall be construed in accordance with accounting principles generally accepted in the United States.

TSR MODIFIER

The number of shares which are to vest based on attainment of the Performance Goal shall be modified based on the percentile level at which the total shareholder return to the Corporation’s shareholders over the Performance Period stands relative to the total shareholder return realized for that period by the companies comprising the S&P Transportation Select Industry Index and S&P MidCap 400 Index (with each index weighted 50%) as follows:

TSR Modifier and Payout Adjustment

Relative TSR Performance	TSR Modifier Adjustment
≥ th percentile	%
th percentile	%
≤ th percentile	%

Adjustment for TSR Modifier between performance levels will be interpolated on a straight-line basis.

Effect of TSR Modifier

Performance Level	ROIC Performance	Payout as % of Target	TSR Performance	
	Performance as % of Target		TSR Modifier	Total Payout as % of Target
Extraordinary	%	%	- % to + %	- % to + %
Target	%	%	- % to + %	- % to + %
Threshold	%	%	- % to + %	- % to + %

For such purpose, the total shareholder return (“**TSR**”) for the Corporation’s stockholders shall be determined pursuant to the following formula:

$$\text{TSR} = \frac{(\text{Ending Stock Price}^* - \text{Beginning Stock Price}^{**}) + \text{Reinvested Dividends}^{***}}{\text{Beginning Stock Price}^{**}}$$

* Ending Stock Price is the average daily closing price per share of the Common Stock calculated for the last thirty (30) days within the Performance Period.

** Beginning Stock Price is the average daily closing price per share of the Common Stock calculated for the thirty (30)-day period immediately preceding the commencement date of the Performance Period.

*** Reinvested Dividends shall be calculated by multiplying (i) the aggregate number of shares (including fractional shares) of Common Stock that could have been purchased during the Performance Period had each cash dividend paid on a single share of Common Stock during that period been immediately reinvested in additional shares (or fractional shares) of Common Stock at the closing price per share of the Common Stock on the applicable dividend payment date by (ii) the average daily closing price per share of Common Stock calculated for the last thirty (30) days within the Performance Period.

Each of the foregoing amounts shall be equitably adjusted for stock splits, stock dividends, recapitalizations and other similar events affecting the shares in question without the issuer's receipt of consideration.

For each company in the S&P Transportation Index and S&P MidCap 400 Index, the TSR with respect to its common stock shall be calculated in the same manner as for the Common Stock.

MATSON, INC.

PERFORMANCE SHARE 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 Performance Shares.** The Corporation hereby awards to Participant, as of the Award Date, Performance Shares under the Plan. The number of shares of Common Stock underlying the award and the applicable performance vesting requirements for those 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 Performance Shares subject to the Award or the underlying Shares or pledge or otherwise hedge the sale of those Performance Shares 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 actual number of Shares that may vest and become issuable pursuant to the Performance Shares 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 Goal specified on Schedule I to the Award Notice is actually attained as modified by the TSR Modifier and (ii) then the number of the Performance-Qualified 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-Qualified Shares in accordance with the provisions of the Award Notice and Schedule I attached thereto.

(b) ***Service Vesting:*** The Performance-Qualified 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:

(i) If Participant continues in Service through the completion of the three (3)-year Performance Period, Participant shall vest in all of the Performance-Qualified Shares. The Shares underlying those particular Performance-Qualified Shares shall be issued to Participant during the period beginning with the first business day of the first calendar year following the completion of the Performance Period and ending on March 15th of that year.

(ii) 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, upon the completion of such Performance Period, vest in a portion of the Performance-Qualified Shares determined by multiplying (x) the maximum number of Performance-Qualified Shares in which Participant would have vested, based on the actual level of Performance Goal attainment for the Performance Period, had Participant completed the three (3)-year Service vesting requirement set forth in subparagraph (i) above 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 thirty-six (36) months. The Shares underlying the Performance-Qualified Shares in which Participant vests in accordance with this subparagraph (ii) shall be issued to Participant during the period beginning with the first business day of the first calendar year following the completion of the Performance Period and ending on March 15th of that year.

(iii) 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 Performance-Qualified Shares and all of Participant's right, title and interest to the Shares subject to this Award shall cease.

4. **Stockholder Rights.** 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 upon their actual issuance following the Corporation's collection of the applicable Withholding Taxes.

5. **Change in Control.** Notwithstanding Section 3 above, the following provisions shall apply 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 on or after the completion of the 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 account established by the successor entity. In such event, the following provisions shall be in effect:

(i) The Performance-Vesting requirements of this Agreement shall terminate, and the assumption or continuation of this Award shall be effected in accordance with Paragraph 5(b) below on the basis of the number of Change in Control Shares. The Service-vesting and issuance provisions of Paragraph 3(b)(i) shall continue in effect with respect to the assumed or continued Award.

(ii) If Participant ceases Service prior to completion of the Performance Period by reason of Early Retirement, Normal Retirement, death or Permanent Disability, then Participant shall, upon the closing of the Change in Control or (if later) such cessation of Service, vest in that number of Shares determined by multiplying (x) the number of Change in Control Shares 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 thirty-six (36) months. The Shares in which Participant so vests shall be issued to Participant on the earlier of (i) the date the Shares would have otherwise been issued pursuant to the provisions of Paragraph 3(b)(ii) in the absence of such Change in Control or, should such cessation of Service occur after such Change in Control but within twenty-four (24) months after the closing of a Qualifying Change in Control, (ii) the date of Participant's Separation from Service due to such cessation of Service.

(iii) Any cash retention account established in replacement of this Award shall initially be credited with the fair market value (at the effective time of the Change in Control) of the number of Change in Control Shares, and interest shall accrue on the outstanding balance of such account, for the period commencing with the closing date of the Change in Control and continuing through the date of the final payment of the account, including any

3

deferred payment date under Paragraph 9, at a variable per annum rate, compounded semi-annually, equal to the prime rate of interest as in effect from time to time during such period, as determined on the basis of the prime rate quotations published in *The Wall Street Journal*. The cash retention account shall vest and be paid out in accordance with the Service vesting and issuance provisions of Paragraph 3(b)(i) or (to the extent applicable) in accordance with the pro-rata Service vesting and issuance provisions of Paragraph 5(a)(ii) above. The Participant's interest in the account shall at all times be that of a general, unsecured creditor.

(iv) In the event of such assumption or continuation of this Award or such replacement of the Award with a cash retention account, no accelerated vesting of the Performance Shares subject to this Award or the underlying Shares shall occur at the time of the Change in Control, and the Service-vesting provisions of Paragraph 3(b) shall continue in full force and effect.

(b) In the event this Award is assumed or otherwise continued in effect in connection with such Change in Control, the securities subject to the Award shall be adjusted immediately after the consummation of that Change in Control so as to apply to the number and class of securities into which the number of Change in Control Shares would have been converted in consummation of that Change in Control had that number of 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 Performance Shares subject to the Award at that time, but subject to the Plan Administrator's approval prior to the Change in Control, 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 within twenty-four (24) months after a Change in Control in which this Award is assumed or continued in effect, Participant shall immediately vest in that number of Shares equal to the Change in Control Shares, and that number of Shares shall be issued to Participant on the earlier of (i) the date those Shares would have otherwise been issued pursuant to the provisions of Paragraph 3(b) in the absence of such Change in Control or, should such cessation of Service occur within twenty-four (24) months after the closing of a Qualifying Change in Control, (ii) the date of Participant's Separation from Service due to such cessation of Service. Should this Award be replaced with a cash retention account in accordance with Paragraph 5(a), then that account shall vest upon Participant's Separation from Service due to the Involuntary Termination, provided and only if such Involuntary Termination occurs within twenty-four (24) months following the Change in Control. Such vested balance, together with all accrued interest thereon through the actual payment date, shall be distributed, as to each Share to which the cash retention account pertains, on the *earlier* of (x) each date that Share would have otherwise been issued pursuant to the Service vesting and issuance provisions set forth in

4

Paragraph 3(b) in the absence of such Change in Control or (y) the date of Participant's Separation from Service, provided such Separation from Service occurs within twenty-four (24) months after a Qualifying Change in Control. Except for the number of Shares and the cash retention balance distributed 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 cash amounts hereunder upon such Separation from Service.

(d) If the Award is not assumed by the successor entity or otherwise continued in effect or replaced with a cash retention account 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, then Participant shall, upon the closing of such Change in Control, vest in that number of Shares equal to the Change in Control Shares. The Shares in which Participant so vests 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. Such consideration per Share shall be distributed to Participant on the *earliest* to occur of (x) the date the Share would have otherwise been issued pursuant to the Service vesting and issuance provisions set forth in Paragraph 3(b)(i) in the absence of such Change in Control, (y) the date of Participant's Separation from Service, provided such Separation from Service occurs within twenty-four (24) months after a Qualifying Change in Control, or (z) the first date following a Qualifying Change in Control transaction on which the distribution can be made without contravention of any applicable provisions of Code Section 409A.

(ii) To the extent the consideration payable per share of Common Stock in the Change in Control is in the form of cash, a fully-vested cash retention account shall be established by the successor entity at the time of such Change in Control for each Share that vests on an accelerated basis in accordance with Section 5(d)(i) above. Such account shall be credited with the amount of the cash consideration payable for the Shares, and interest shall accrue on the outstanding balance of that account, for the period commencing with the closing date of the Change in Control and continuing through the date of the final payment of the account, including any deferred payment date under Paragraph 9, at a variable per annum rate, compounded semi-annually, equal to the prime rate of interest as in effect from time to time during such period, as determined on the basis of the prime rate quotations published in *The Wall Street Journal*. The cash retention account, together with all accrued interest thereon through the actual payment date, shall be distributed, as to each Share to which that cash retention accounts pertains, in accordance with the foregoing distribution provisions of Paragraph 5(d)(i) above. Participant's interest in the account shall at all times be that of a general, unsecured creditor.

5

(iii) If Participant ceases Service prior to the effective date of the Change in Control by reason of Early Retirement, Normal Retirement, death or Permanent Disability then Participant shall, upon the closing of such Change in Control, vest in that number of Shares determined by multiplying (x) the number of Change in Control Shares 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 thirty-six (36) months. The Shares in which Participant so vests 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. Such consideration per Share shall be distributed to Participant on the *earlier* of (A) the date the Share would have otherwise been issued pursuant to the provisions of Paragraph 3(b)(ii) in the absence of such Change in Control or (B) the first date following a Qualifying Change in Control transaction on which the distribution can be made without contravention of any applicable provisions of Code Section 409A.

(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.

6. **Change in Control Benefits 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 Benefits 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 Benefits Agreement and this Agreement, the provisions of the Change in Control Benefits Agreement shall be controlling; *provided, however*, that in the event there is any conflict between the issuance or distribution provisions of this Agreement and the issuance or distribution provisions of the Change in Control Benefits Agreement, the issuance and distribution provisions of this 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.

6

8. **Issuance of Vested Shares and Applicable Withholding Taxes.**

(a) Any Shares to be issued to Participant in accordance with the foregoing provisions of this Agreement 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.

(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 the applicable issuance 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 issuance 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.

(d) Notwithstanding the foregoing provisions of this Paragraph 8, the employee portion of the federal, state and local employment taxes required to be withheld by the Corporation in connection with the vesting of the Shares or any other amounts hereunder (the "Employment Taxes") shall in all events be collected from the Participant no later than the last business day of the calendar year in which the Shares or other amounts vest hereunder. Accordingly, to the extent the applicable issuance date for one or more vested Shares or the distribution date for such other amounts is to occur in a year subsequent to the calendar year in which those Shares or other amounts vest, the Participant shall, on or before the last business day of the calendar year in which the Shares or other amounts vest, deliver to the Corporation a check payable to its order in the dollar amount equal to the Employment Taxes required to be withheld with respect to those Shares or other amounts. The provisions of this Paragraph 9(d) shall be applicable only to the extent necessary to comply with the applicable tax withholding requirements of Code Section 3121(v).

7

(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. **Code Section 409A.** 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 and provisions 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 (1st) 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 (1st) 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.

Participant's right to receive each installment of Shares or other installment distribution pursuant to the terms of this Agreement shall, for purposes of Code Section 409A, be treated as a right to receive a series of separate payments.

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.

8

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.**

(a) 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.

(b) To the extent there is any ambiguity as to whether any provision of this Agreement would otherwise contravene one or more applicable requirements or limitations of Section 409A of the Internal Revenue Code and the Treasury Regulations thereunder, such provision shall be interpreted and applied in a manner that complies with the applicable requirements of Section 409A of the Internal Revenue Code and the Treasury Regulations thereunder.

(c) 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.

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.

15. **Coverage under Recoupment Policy.** If Participant is on the Award Date, or at any time thereafter becomes, either an executive officer of the Corporation subject to Section 16 of the 1934 Act, or a participant in the Corporation's Performance Improvement Incentive Plan, then Participant shall be subject to the Matson, Inc. Policy Regarding Recoupment of Certain Compensation, effective as of January 1, 2011 (the "Recoupment Policy"), the terms of which are hereby incorporated herein by reference and receipt of a copy of which Participant hereby acknowledges. If Participant is

subject to the Recoupment Policy, then any incentive compensation that is paid or granted to, or received by, Participant on or after January 1, 2011 (including any incentive compensation that is paid to, or received by, Participant on or after January 1, 2011 pursuant to an incentive compensation award made to Participant prior to January 1, 2011, whether by the Corporation or any predecessor entity) and during the three-year period preceding the date on which the Corporation is required to prepare an accounting restatement due to material non-compliance with any applicable financial reporting requirements under the federal securities laws shall be subject to recovery and recoupment pursuant to the terms of such policy. For purposes of such Recoupment Policy, "incentive compensation" means all cash or equity-based award (e.g., stock award, restricted stock unit award, performance share award or stock option grant or shares of Common Stock issued thereunder) or any profit sharing payment or distribution that is based upon the achievement of financial performance metrics. An additional copy of the Recoupment Policy is available upon request made to the Corporate Secretary at the Corporation's principal offices.

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

A. **Agreement** shall mean this Performance Share Award Agreement.

B. **Award** shall mean the award of Performance Shares made to Participant pursuant to the terms of this Agreement.

C. **Award Date** shall mean the date the Performance Shares 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 Shares delivered to Participant in which there is set forth the basic terms of the Performance Shares 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 Benefits Agreement applicable to the Award, the term **Cause** shall have the meaning ascribed to that term in such Change in Control Benefits 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 fifty percent (50%) or more 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,

A-1

(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) acquires 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) beneficial ownership (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 Benefits Agreement applicable to the Award, the term **Change in Control** shall have the meaning ascribed to that term in such Change in Control Benefits 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. **Change in Control Shares** shall mean the number of Shares obtained by multiplying (i) the number of Performance-Qualified Shares issuable under the Award at Target Level Attainment of the Performance Goal (without any adjustment for the TSR Modifier) by (ii) the Vested Percentage.

A-2

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

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

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

M. **Early Retirement** shall mean Participant's retirement from Service, with the prior approval of the Corporation (or the Parent or Subsidiary employing Participant), on or after the attainment of age fifty-five (55) and the completion of at least five (5) years of Service.

N. **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.

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

P. **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.

Q. **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 and 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.

A-3

However, in the event Participant is at the time of his or her cessation of Employee status a party to a Change in Control Benefits 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 Benefits Agreement.

R. **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.

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

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

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

V. **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.

W. **Performance Goal** shall mean the performance goal specified on Schedule I of the Award Notice.

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

Y. **Performance-Qualified Shares** shall mean the maximum number of Shares in which Participant can vest based on the level at which the Performance Goal for the Performance Period is attained and shall be calculated in accordance with the provisions of the Award Notice. In no event shall the number of such Performance-Qualified Shares exceed two hundred fifty percent (250%) of the designated number of Performance Shares set

forth in the Performance Shares section of the Award Notice. Each Performance-Qualified Share that vests pursuant to the terms of the Award shall entitle Participant to receive one Share.

Z. **Performance Shares** shall mean the number of phantom shares of Common Stock awarded under this Agreement that shall be applied to the calculation of the maximum number of Performance-Qualified Shares (if any) based on the level at which the Performance Goal is in fact attained over the applicable Performance Period.

A-4

AA. **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.

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. **Qualifying Change in Control** shall mean the date on which there occurs a Change in Control that also qualifies as: (i) a change in the ownership of the Corporation, as determined in accordance with Section 1.409A-3(i)(5)(v) of the Treasury Regulations, (ii) a change in the effective control of the Corporation, as determined in accordance with Section 1.409A-3(i)(5)(vi) of the Treasury Regulations, or (iii) a change in the ownership of a substantial portion of the assets of the Corporation, as determined in accordance with Section 1.409A-3(i)(5)(vii) of the Treasury Regulations.

EE. **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 of employment (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) of the Code 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.

FF. **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

A-5

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.

GG. **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.

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

II. **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. The term **Subsidiary** shall also include any wholly-owned limited liability company in such chain of subsidiaries that is disregarded for U.S. federal income tax purposes.

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

KK. **TSR Modifier** shall mean the adjustment on the basis of the relative total shareholder return that is applied to the number of Shares that may vest based on attainment of the Performance Goal as set forth in Schedule I of the Award Notice.

LL. **Vested Percentage** shall mean (i) fifty percent (50%) if the Change in Control is consummated during the first eighteen (18) months of the Performance Period and (ii) one hundred percent (100%) if the Change in Control is consummated after the first eighteen (18) months of the Performance Period, but prior to the completion of the Performance Period.

MM. **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.

SCHEDULE I

ILLUSTRATION OF VESTING CALCULATIONS

The following examples are for illustration purposes only:

1. Participant receives an Award for 100 Shares at Target Level and Participant continues in Service until the expiration of the requisite three (3)-year Service vesting period. If the Performance Goal is attained at the Target Level, Participant shall vest in 100 Shares following the completion of the Performance Period. The actual number of shares issuable to the Participant will range from 75 to 125 based on the TSR Modifier. If the Performance Goal is attained at the Extraordinary Level, Participant shall vest in an additional 100 Shares for a total of 200 Shares following the completion of the Performance Period. The actual number of shares issuable to the Participant will range from 150 to 250 based on the TSR Modifier.
 2. Participant receives an Award for 100 Shares at Target Level and Participant ceases Service due to Permanent Disability halfway through the Performance Period. If the Performance Goal is attained at the Target Level, Participant shall vest in 50 of the Shares. The actual number of shares issuable to the Participant will range from 37 to 62 based on the TSR Modifier. On the other hand, if the Performance Goal is attained at the Extraordinary Level, Participant shall vest in an additional 50 Shares for a total of 100 Shares. The actual number of shares issuable to the Participant will range from 75 to 125 based on the TSR Modifier.
 3. Participant receives an Award for 100 Shares at Target Level and Participant continues in Service through the completion of the three (3)-year Service vesting period. If the Performance Goal is attained at a point halfway between the Threshold and Target Levels, Participant would vest in 62 of the Shares following the completion of the Performance Period. The actual number of shares issuable to the Participant will range from 46 to 77 based on the TSR Modifier. On the other hand, if the Performance Goal is attained at a point halfway between the Target and Extraordinary Levels, Participant would vest in 150 of the Shares following the completion of the Performance Period. The actual number of shares issuable to the Participant will range from 112 to 187 based on the TSR Modifier.
 4. Participant receives an Award for 100 Shares at Target Level and Participant ceases Service due to Permanent Disability halfway through the Performance Period. If the Performance Goal is attained at a point halfway between the Threshold and Target Levels, Participant would vest in 31 of the Shares following the completion of the Performance Period. The actual number of shares issuable to the Participant will range from 23 to 38 based on the TSR Modifier. On the other hand, if the Performance Goal is attained at a point halfway between the Target and Extraordinary Levels, Participant would vest in 75 of the Shares following the completion of the Performance Period. The actual number of shares issuable to the Participant will range from 56 to 93 based on the TSR Modifier.
-

MATSON, INC. CASH INCENTIVE PLAN
Effective January 24, 2013

I. **Establishment and Purpose**

A. Matson, Inc. (the “Company” or “Matson”) has established the Matson, Inc. Cash Incentive Plan (the “Plan”), enabling a select group of employees at Matson to be eligible for cash incentive compensation.

B. The purpose of this Plan is to motivate employees to exceed business plan performance and to provide a reward to individuals for their successful results. Further, the Plan is intended to:

1. Align Eligible Employees’ and shareholders’ interests;
2. Emphasize current and future profitability, improvement or desirable change;
3. Recognize and reward Eligible Employees who make substantial contributions to the Company;
4. Reinforce the implementation of business plans; and
5. Link the incentive opportunity to external competitive practices, and internally to the Company’s total compensation objectives.

C. The Plan is also intended to serve as a retention tool and accordingly requires service beyond the performance period.

D. It is further intended that this Plan will complement other compensation program components to assure a sound basis upon which the Company will attract and retain key employees.

II. **Administration**

A. The Committee shall have responsibility for administration of this Plan. Under the direction of this Committee, the corporate officer in charge of the compensation programs of the Company and other executives designated by the Chief Executive Officer of the Company shall develop and maintain guidelines for the administration of the Plan and will perform day-to-day administrative details as required.

B. The Committee shall interpret the Plan, make or approve procedures and guidelines relating to it, and make any factual determinations arising in connection with it. The Committee’s interpretations and determinations shall be final and binding.

III. **Eligibility and Participation**

A. For each Plan Year, the Plan covers each Employee who (i) is in Active Employment during the Plan Year; (ii) is classified by the Company as a Section 16 Officer or in salary grade 35 or above; (iii) is on the payroll of the Company (or a Parent or Subsidiary) on or before October 1 of the Plan Year; and (iv) remains in Active Employment through the payout date for the award for such year, except as provided below.

B. **New Hires and Rehires.** If an individual becomes an Eligible Employee after the beginning of the Plan Year, but on or before October 1 of the Plan Year, then the bonus award for such individual (as determined pursuant to Section V.B.) shall be prorated for the length of time he or she worked as an Eligible Employee during the Plan Year. Rehired individuals are not entitled to receive credit for prior periods of employment, unless the Eligible Employee was involuntarily terminated by the Company without Cause during the Plan Year and rehired in the same Plan Year.

C. **Disability, Retirement and Death.** If an Eligible Employee becomes Permanently Disabled, takes Retirement, or dies during the Plan Year for which the award is made, then the bonus award for such individual (as determined pursuant to Section V.B.) shall be prorated based on the length of time he or she worked as an Eligible Employee during the Plan Year.

D. **Leaves of Absence.** Eligible Employees who are on an approved leave of absence during the Plan Year will have their bonus amount (as determined pursuant to Section V.B.) prorated based on the number of days during the Plan Year for which such individual received regular pay from the Company (or a Parent or Subsidiary).

E. **Exceptions.** Additions or deletions to the eligibility requirements outlined above can be made only by the Chief Executive Officer, with the approval of the Committee.

IV. **Performance Goals (Objectives)**

The performance goals used as the basis of this Plan shall be determined by the Committee and may be based on (but are not limited to) one or more Company Performance Goals and/or individual goals.

V. **Awards**

A. **Opportunity**

For each goal established for the Eligible Employee pursuant to Section IV, a bonus opportunity (stated as a dollar amount or percentage of salary) will be set at one or more levels based on corresponding levels of attainment of that goal. For example, a target level bonus may be set for target level attainment of each established goal. Accordingly, each Eligible Employee’s maximum award under the Plan for a particular Plan Year shall be equal to the sum of the maximum level of bonus opportunity set for each goal established for him or her for that Plan Year.

B. Determination

1. Individual Bonus Calculation. At the end of each Plan Year, the Committee shall determine the actual level of attainment of each of the goals established for the Eligible Employee for that Plan Year. Based on the Committee’s determination of the attained level of each goal, an initial calculation shall be made of the bonus amount attributable to that goal, and the Eligible Employee’s potential bonus amount for that Plan Year shall be equal to sum of those individually calculated bonus amounts. However, the actual bonus amount to be paid to the Eligible Employee shall be subject to his or her satisfaction of the employment requirement set forth in Section III, and any adjustments effected by the Committee pursuant to Section V.B.2.

2. Committee Discretion. The award calculated for each participant pursuant to Section V.B.1 may be increased or decreased by the Committee in its absolute discretion if such award does not, in the judgment of the Committee, accurately reflect the performance of the Company or of the applicable Subsidiary, operating unit or the individual. Such adjustments by the Committee may be applied uniformly with respect to all Eligible Employees, or such adjustment may be applied selectively with respect to one or more individual Eligible Employees.

C. Payments and Tax Withholdings

Awards shall be paid only in cash, with such cash payment to be made at the time the award is determined, approved by the Committee and as soon as administratively possible following award determination and approval but in no event later than March 15 of the year following the Plan Year of performance. Participants will not be permitted to receive any portion of their awards in the form of the Company’s common stock. The Company will deduct from all payments any and all applicable taxes (e.g., federal, state, local or other taxes of any kind) required by law to be withheld with respect to such payment.

VI. General Provisions

A. Nothing herein contained shall be construed to limit or affect in any manner or degree the normal and usual powers of management, exercised by the officers and the Board of Directors or committees thereof, to change the duties or the character of employment of any employee of the Company, all of which rights and powers are hereby expressly reserved.

B. Nothing herein shall confer upon a 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 the participant) or of the participant, which rights are hereby expressly reserved by each, to terminate participant’s service at any time for any reason, with or without cause.

C. It is intended that the Plan shall continue from year to year, subject to an annual review by the Board of Directors. However, the Board of Directors reserves the right to modify, amend or terminate the Plan at any time; provided, that no amendment or termination shall affect the rights of participants to receive awards finally determined and approved by the Committee but unpaid at the time of such termination or amendment.

D. The parameters of the Plan shall be construed, administered and governed by the laws of the State of Hawaii without resort to its conflict-of-laws provisions.

E. No amounts awarded or accrued under this Plan shall actually be funded, set aside or otherwise segregated prior to payment. The obligation to pay the bonuses awarded hereunder shall at all times be an unfunded and unsecured obligation of the Company. Plan participants shall have the status of general creditors and shall look solely to the general assets of the Company for the payment of their bonus awards.

F. The Plan shall be administered, operated and construed in compliance with the requirements of the short-term deferral exception to Section 409A of the Internal Revenue Code (the “Code”) and Treasury Regulations Section 1.409A-1(b)(4). Accordingly, to the extent there is any ambiguity as to whether one or more provisions of the Plan would otherwise contravene the requirements or limitations of Section 409A of the Code applicable to such short-term deferral exception, then those provisions shall be interpreted and applied in a manner that does not result in a violation of the requirements or limitations of Section 409A of the Code and the Treasury Regulations thereunder that apply to such exception.

IN WITNESS WHEREOF, Matson, Inc. has caused this Plan to be executed by its duly authorized officers effective this 24th day of January, 2013.

MATSON, INC.

By _____
Its

By _____
Its

The following definitions shall be in effect under the Plan:

i. **Award** shall mean any cash incentive award paid out under the Plan.

ii. **Active Employment** means the Eligible Employee is on the active payroll of the Company (or a Parent or Subsidiary) and has not experienced a voluntary or involuntary termination of employment with the Company (or a Parent or Subsidiary), including discharge for any reason, resignation, layoff, death, Retirement, or Permanent Disability

iii. **Board** shall mean the Company's Board of Directors.

iv. **Committee** shall mean the Compensation Committee of the Board comprised of two (2) or more non-employee Board members.

v. **Company** shall mean Matson, Inc., a Hawaii corporation.

vi. **Company Performance Goals** shall mean any of the following performance criteria upon which the determination and subsequent payout of awards under the Plan may be based: (i) cash flow; (ii) earnings (including gross margin, earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation, amortization and charges for stock-based compensation, earnings before interest, taxes, depreciation and amortization, and net earnings); (iii) earnings per share; (iv) growth in earnings or earnings per share; (v) stock price; (vi) return on equity or average stockholder equity; (vii) total stockholder return or growth in total stockholder return either directly or in relation to a comparative group; (viii) return on capital; (ix) return on assets or net assets; (x) invested capital, required rate of return on capital or return on invested capital; (xi) revenue, growth in revenue or return on sales; (xii) income or net income; (xiii) operating income, net operating income or net operating income after tax; (xiv) operating profit or net operating profit; (xv) operating margin; (xvi) return on operating revenue or return on operating profit; (xvii) collections and recoveries, (xviii) property purchases, sales, investments and construction goals, (xix) application approvals, (xx) litigation and regulatory resolution goals, (xxi) occupancy or occupancy rates, (xxii) leases, contracts or financings, including renewals, (xxiii) overhead, savings, G&A and other expense control goals, (xxiv) budget comparisons, (xxv) growth in stockholder value relative to the growth of the S&P 400 or S&P 400 Index, the S&P Global Industry Classification Standards ("GICS") or GICS Index, or another peer group or peer group index; (xxvi) credit rating; (xxvii) development and implementation of strategic plans and/or organizational restructuring goals; (xxviii) development and implementation of risk and crisis management programs; (xxix) improvement in workforce diversity; (xxx) net cost per ton; (xxxi) price per container or average price of container; (xxxii) voyage days or vessel scheduling; (xxxiii) lift volume per container, volume per container, number of units or size of units; (xxxiv) compliance requirements and compliance relief; (xxxv) safety goals; (xxxvi) productivity goals; (xxxvii) workforce management and succession planning goals; (xxxviii) economic value added (including typical adjustments consistently applied from generally accepted accounting principles required to determine economic value added performance measures); (xxxix) measures of customer satisfaction, employee satisfaction or staff development; (xl) development or marketing

1

collaborations, formations of joint ventures or partnerships or the completion of other similar transactions intended to enhance the Company's revenue or profitability or enhance its customer base; (xli) merger and acquisitions; and (xlii) other similar criteria consistent with the foregoing. In addition, such performance criteria may be based upon the attainment of specified levels of the Company's performance under one or more of the measures described above relative to the performance of other entities and may also be based on the performance of any of the Company's business units or divisions or any Parent or Subsidiary. Each applicable Performance Goal may include a minimum threshold level of performance below which no award will be earned, levels of performance at which specified portions of an award will be earned and a maximum level of performance at which an award will be fully earned. Each applicable performance goal may be structured at the time of the award to provide for appropriate adjustment for one or more of the following items: (A) asset impairments or write-downs; (B) litigation judgments or claim settlements; (C) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results; (D) accruals for reorganization and restructuring programs; (E) any extraordinary nonrecurring items; (F) the operations of any business acquired by the Company; (G) the divestiture of one or more business operations or the assets thereof; and (H) any other adjustment consistent with the operation of the Plan.

vii. **Eligible Employee** shall mean an Employee eligible to participate in the Plan as determined pursuant to Section III.A.

viii. **Employee** shall mean an individual who is in the employ of the Company (or any Parent or Subsidiary, whether now existing or subsequently established), 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, and who meets the eligibility requirements under Section 5.

ix. **Parent** shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, provided each corporation in the unbroken chain (other than the Company) 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.

x. **Permanent Disability or Permanently Disabled** shall mean the inability of the Eligible Employee 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.

xi. **Plan** shall mean the Matson, Inc. Cash Incentive Plan, as set forth herein and as amended from time to time.

xii. **Plan Year** shall mean the calendar year.

xiii. **Retirement** shall mean (i) the Eligible Employee's termination of employment on or after attainment of age sixty-five (65) or (ii) the Eligible Employee's early retirement, with the prior approval of the Company (or Parent or Subsidiary employing

2

Participant), on or after attainment of age fifty-five (55) and completion of at least five (5) years of Service.

xiv. **Section 16 Officer** shall mean an officer of the Company subject to the short-swing profit liabilities of Section 16 of the 1934 Act.

xv. **Subsidiary** shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, 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. The term **Subsidiary** shall also include any wholly-owned limited liability company within the applicable chain of subsidiaries that is a disregarded entity for U.S. federal income tax purposes.