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ALEXANDER & BALDWIN INC  
Form DEF 14A  
March 10, 2003

SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
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Filed by the Registrant   
Filed by a Party other than the Registrant   
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Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by  
Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to 17 CFR 240.14a-12  
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ALEXANDER & BALDWIN, INC.  
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(Name of Registrant as Specified in its Charter)

-----  
(Name of Person(s) Filing Proxy Statement  
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ALEXANDER & BALDWIN, INC.  
822 Bishop Street, Honolulu, Hawaii 96813

March 10, 2003

To the Shareholders of Alexander & Baldwin, Inc.:

The 2003 Annual Meeting of Shareholders of Alexander & Baldwin, Inc. will be held in the Plaza Meeting Room on the ground floor of the Topa Plaza (formerly known as Amfac Center), 745 Fort Street, Honolulu, Hawaii, on Thursday, April 24, 2003 at 8:30 a.m. You are invited to attend the meeting, and we hope you will be able to do so. At the meeting, we will have the opportunity to discuss the Company's financial performance during 2002, and our future plans and expectations.

Whether or not you now plan to attend the Annual Meeting, you are urged to sign, date and mail the enclosed proxy and return it in the enclosed envelope at your earliest convenience. Alternatively, A&B shareholders of record can vote their shares over the Internet, or by calling a specially designated telephone number. These Internet and telephone voting procedures are designed to authenticate your vote and to confirm that your voting instructions are followed. Specific instructions for shareholders of record who wish to use Internet or telephone voting procedures are set forth in the enclosed proxy.

Regardless of the size of your holding, it is important that your shares be represented. If you attend the Annual Meeting, you may withdraw your proxy and vote in person.

Sincerely,

/s/ W. Allen Doane  
W. ALLEN DOANE  
President and Chief Executive Officer

ALEXANDER & BALDWIN, INC.  
822 Bishop Street, Honolulu, Hawaii 96813

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders of Alexander & Baldwin, Inc. ("A&B") will be held in the Plaza Meeting Room on the ground floor of the Topa Plaza (formerly known as Amfac Center), 745 Fort Street, Honolulu, Hawaii, on Thursday, April 24, 2003, at 8:30 a.m., Honolulu time, for the following purposes:

1. To elect ten directors to serve until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified;
2. To ratify the appointment of auditors for the ensuing year; and

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3. To transact such other business as properly may be brought before the meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on February 13, 2003 as the record date for the determination of shareholders entitled to notice of and to vote at the meeting.

PLEASE PROMPTLY SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT IN THE ENVELOPE PROVIDED, OR VOTE VIA THE INTERNET OR BY TELEPHONE.

By Order of the Board of Directors

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

March 10, 2003

ALEXANDER & BALDWIN, INC.  
822 Bishop Street, Honolulu, Hawaii 96813

### PROXY STATEMENT

#### GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Alexander & Baldwin, Inc. ("A&B") for use at the Annual Meeting of Shareholders to be held on April 24, 2003 and at any adjournment or postponement thereof (the "Annual Meeting"). Shareholders may submit their proxies either by signing, dating and returning the enclosed proxy, or via the Internet or by telephone in accordance with the procedures set forth in the enclosed proxy. A proxy may be revoked at any time prior to its exercise by a written revocation bearing a later date than the proxy and filed with the Secretary of A&B, by submission of a later-dated proxy or subsequent Internet or telephonic proxy, or by voting in person at the Annual Meeting.

Only shareholders of record at the close of business on February 13, 2003 are entitled to notice of and to vote at the Annual Meeting. On that date, A&B had outstanding 41,390,388 shares of common stock without par value, each of which is entitled to one vote. Provided a quorum is present, the affirmative vote of a majority of the shares of A&B common stock represented at the Annual Meeting, in person or by proxy, will be necessary for the election of directors and the ratification of the appointment of auditors. Abstentions and broker non-votes will be included for purposes of determining a quorum at the Annual Meeting. Broker non-votes will have the same effect as a vote to withhold authority in the election of directors, and abstentions and broker non-votes will have the same effect as a vote against the ratification of auditors.

Following the original mailing of proxy soliciting material, officers, employees and directors of A&B and its subsidiaries may, without additional compensation, solicit proxies by appropriate means, including by mail, telephone, telecopy and personal interview. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries which are record holders of A&B's common stock to forward proxy soliciting material to the beneficial owners of such stock, and A&B will reimburse such record holders for

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their reasonable expenses. A&B has retained the firm of Morrow & Co., Inc. to assist in the solicitation of proxies, at a cost of \$9,000 plus reasonable out-of-pocket expenses.

This Proxy Statement and the enclosed proxy are being mailed to shareholders, and are being made available on the Internet at [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com), on or about March 10, 2003.

### ELECTION OF DIRECTORS

Directors will be elected at the Annual Meeting to serve until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified. There is no cumulative voting in the election of directors.

Nominees. The nominees of the Board of Directors are the ten persons named below, all of whom, except Mr. Watanabe, are currently members of the Board of Directors. The Board of Directors has no reason to believe that any nominee will be unable to serve. However, if any nominee or nominees should decline or become unable to serve for any reason, shares represented by the accompanying proxy will be voted for such other person or persons as the Board of Directors may nominate.

The following table sets forth the name, age and principal occupation of each person nominated by the A&B Board, their positions with A&B and business experience during at least the last five years, and the year each first was elected or appointed a director.

NAME ----	PRINCIPAL OCCUPATION, INFORMATION AS TO OTHER POSITIONS WITH A&B, AND OTHER DIRECTORSHIPS -----	AGE ---	DIRECTOR SINCE -----
Michael J. Chun	President and Headmaster, The Kamehameha Schools, Kapalama Campus, Honolulu, Hawaii (educational institution) since June 1988; Director of Bank of Hawaii.	59	1990
Leo E. Denlea, Jr.	Retired Chairman of the Board and Chief Executive Officer, Farmers Group, Inc., Los Angeles, California (insurance) (September 1986 to March 1997).	71	1987
W. Allen Doane	President and Chief Executive Officer of A&B since October 1998; Chairman of the Board of A&B's subsidiary, Matson Navigation Company, Inc. ("Matson"), since July 2002; Vice Chairman of the Board of Matson from December 1998 to July 2002; Executive Vice President of A&B from August 1998 to October 1998; Chief Executive Officer of A&B's subsidiary, A&B-Hawaii, Inc. ("ABHI"), from January 1997 to December 1999, when ABHI was merged into ABHI; President of ABHI from April 1995 to December 1999; Director of BancWest Corporation and its banking subsidiary, First Hawaiian Bank.	55	1998
Walter A. Dods, Jr.	Chairman of the Board and Chief Executive Officer of BancWest Corporation and its	61	1989

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	subsidiary, First Hawaiian Bank, Honolulu, Hawaii (banking) since September 1989; Director of BancWest Corporation and its banking subsidiaries, First Hawaiian Bank and Bank of the West.		
Charles G. King	President, King Windward Nissan, Kaneohe, Oahu, Hawaii (automobile dealership) since February 1999; President, King Auto Center, Lihue, Kauai, Hawaii (automobile dealership) since October 1995.	57	1989
Carson R. McKissick	Managing Director, The Corporate Development Company, Los Angeles, California (financial advisory services) since July 1991.	70	1971
C. Bradley Mulholland	Executive Vice President of A&B since August 1998; Vice Chairman of Matson since July 2002; Chief Executive Officer of Matson from April 1992 to July 2002; President of Matson from May 1990 to July 2002.	61	1991
Maryanna G. Shaw	Private investor.	64	1980
Charles M. Stockholm	Managing Director, Trust Company of the West, San Francisco, California (investment management services) since June 1986; Chairman of the Board of A&B since August 1999; Chairman of the Board of Matson from August 1999 to July 2002; Chairman of the Board of ABHI from August 1999 to December 1999, when ABHI was merged into A&B.	70	1972
Jeffrey N. Watanabe	Managing Partner, Watanabe Ing Kawashima & Komeiji LLP, Honolulu, Hawaii (attorneys) since 1990; Director of Hawaiian Electric Industries, Inc.	60	--

The Bylaws of A&B provide that no person (other than a person nominated by or on behalf of the Board) will be eligible to be elected a director at an annual meeting of shareholders unless a written notice that the person's name be placed in nomination is received by the Chairman of the Board, the President, or the Secretary of A&B not less than 60 days nor more than 90 days prior to the anniversary date of the immediately preceding annual meeting. If the annual meeting is not called for a date which is within 30 days of the anniversary date of the preceding annual meeting, a shareholder's notice must be given not later than 10 days after the date on which notice of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first. To be in proper written form, a shareholder's notice must set forth specified information about each nominee and the shareholder making the nomination. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

### CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

Board of Directors and Committees of the Board. The Board of Directors held twelve meetings during 2002. All directors were present for 75 percent or

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more of the total number of meetings of the Board of Directors and Committees of the Board on which they serve. The Board of Directors has an Audit Committee, a Compensation and Stock Option Committee, and a Nominating and Corporate Governance Committee.

The current members of the Audit Committee, which held five meetings during 2002, are Mr. McKissick, Chairman, Ms. Lynn M. Sedway (who is not standing for reelection), Ms. Shaw, and Mr. Dods. The duties and responsibilities of the Audit Committee are set forth in a written charter adopted by the Board of Directors, a copy of which was attached as an appendix to A&B's 2001 Proxy Statement, and are summarized in the Audit Committee Report which appears in this Proxy Statement.

The current members of the Compensation and Stock Option Committee, which held six meetings during 2002, are Mr. Denlea, Chairman, and Messrs. Chun, King, and Stockholm. The Compensation and Stock Option Committee has general responsibility for management and other salaried employee compensation, including incentive compensation and stock option plans.

The current members of the Nominating and Corporate Governance Committee are Mr. Stockholm, Chairman, and Messrs. Dods and McKissick. The Nominating and Corporate Governance Committee was established on December 11, 2002 and held its first meeting in January 2003.

Compensation of Directors. During 2002, directors who were not employees of A&B (outside directors) received an annual cash retainer of \$18,000 and an additional \$3,500 if also serving as Chairperson of a Board committee. Also during 2002, outside directors received an attendance fee of \$1,000 per Board meeting and, in addition, attendance fees of \$800 and \$700 per committee meeting if also serving as chairpersons and members, respectively, of Board committees. Pursuant to an agreement with A&B, Mr. Stockholm, who, since August 26, 1999 has served as non-executive Chairman of the Board, receives an additional annual retainer of \$150,000 in such capacity. In 2003, Mr. Stockholm also received a discretionary cash bonus in the amount of \$25,000 for services rendered in 2002. All directors of A&B served as directors of A&B's Matson subsidiary and, in such capacities, outside directors received attendance fees of \$1,000 per Matson Board meeting. Outside directors may defer up to 100 percent of their annual cash retainer and meeting fees until retirement or until such earlier date as they may select. No directors have deferred such fees. In addition to the annual cash retainer and meeting fees, each individual who served as an outside director during 2002 received an annual stock retainer of 300 shares of A&B common stock. Directors who are employees of A&B or its subsidiaries do not receive compensation for serving as directors.

Under A&B's 1998 Non-Employee Director Stock Option Plan, a non-qualified stock option to purchase 3,000 shares of A&B common stock automatically is granted at each Annual Meeting of Shareholders to each individual who is, at such meeting, elected or reelected as an outside director of A&B. The option price per share is the fair market value of A&B common stock on the grant date, and the option expires 10 years from the date of grant, or earlier if the optionee ceases to be a director. Options become exercisable in three annual installments of 1,000 shares each, beginning one year after the grant date. At the 2002 Annual Meeting, held on April 25, 2002, options to purchase 3,000 shares of A&B common stock, at an exercise price of \$27.14 per share, were granted to each of the outside directors under the 1998 Non-Employee Director Stock Option Plan.

A&B maintains life insurance, personal excess liability insurance, retirement and deferred compensation plans, and provides medical and dental benefits, for its outside directors. In addition, the outside directors are reimbursed for their estimated income tax liability by reason of A&B's payments for the cost of life insurance, personal excess liability insurance, and medical

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and dental benefits. The life insurance program affords coverage of \$50,000 for directors, as well as business travel accident coverage of \$200,000 for directors and \$50,000 for their spouses while accompanying directors on A&B business. The personal excess liability insurance program affords coverage of \$10 million for the outside directors (\$20 million for the Chairman of the Board). Under the retirement plan, a director who has five or more years of service will receive a lump sum payment upon retirement or attainment of age 65, whichever is later, that is actuarially equivalent to a payment stream for the life of the director consisting of 50 percent of the amount of the annual retainer fee in effect at the time of his or her retirement or other termination, plus 10 percent of that amount, up to an additional 50 percent, for each year of service as a director over five years. In addition, a director who has ten or more years of service may elect certain post-retirement health care insurance benefits. Ms. Sedway, who is not standing for reelection at the Annual Meeting, became a director of A&B in June 1998 and will have served on the Board for a period of four years, ten months. Upon her reaching age 65, she will receive from A&B a lump sum payment estimated at \$127,000, which is the amount she would have received at age 65 had she served as a director for a full five years.

### SECURITY OWNERSHIP OF CERTAIN SHAREHOLDERS

The following table lists the names and addresses of the only shareholders known by A&B to have owned beneficially more than five percent of A&B's common stock outstanding on February 13, 2003, the number of shares they beneficially own, and the percentage of outstanding shares such ownership represents. Except as indicated in the footnotes, such shareholders have sole voting and dispositive power over shares they beneficially own.

Name and Address of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
BancWest Corporation (a) 999 Bishop Street Honolulu, Hawaii 96813	2,185,966 (b)	5.3
FMR Corp. 82 Devonshire Boston, MA 02109	2,562,448 (c)	6.2
The Harry and Jeanette Weinberg Foundation, Incorporated 7 Park Center Court Owings Mills, Maryland 21117	2,271,079 (d)	5.5

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(a) For additional information concerning relationships and transactions between A&B and BancWest Corporation, please see "Security Ownership of Directors and Executive Officers" and "Certain Relationships and Transactions" below.

(b) As reported in Amendment No. 3 to Schedule 13G dated February 20, 2003

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(the "BancWest 13G") filed with the Securities and Exchange Commission. According to the BancWest 13G, BancWest Corporation has sole voting power over 367,936 shares, shared voting power over 1,818,030 shares, sole dispositive power over 1,250,836 shares, and shared dispositive power over 935,130 shares.

- (c) As reported in Schedule 13G dated February 14, 2003 (the "FMR 13G") filed with the Securities and Exchange Commission. According to the FMR 13G, FMR Corp., through its subsidiaries, Fidelity Management & Research Company and Fidelity Management Trust Company, and two affiliates of FMR Corp., Fidelity International Limited and Geode Capital Management, LLC, have, in the aggregate, sole voting power over 1,991,048 shares, sole dispositive power over all 2,562,448 shares, and do not have shared voting or dispositive power over any shares.
- (d) As reported in Schedule 13G dated February 17, 1998 (the "Foundation 13G") filed by The Harry and Jeanette Weinberg Foundation, Incorporated (the "Foundation") with the Securities and Exchange Commission. According to the Foundation 13G, the Foundation has sole dispositive and voting power over 2,164,530 shares and shared dispositive and voting power over 106,549 shares. A representative of the Foundation confirmed that the Foundation 13G is current as of February 13, 2003.

### CERTAIN INFORMATION REGARDING DIRECTORS AND EXECUTIVE OFFICERS

Security Ownership of Directors and Executive Officers. The following table shows the number of shares of A&B common stock beneficially owned as of February 13, 2003 by each director and nominee, by each executive officer named in the "Summary Compensation Table" below, and by directors, nominees and executive officers as a group and, if at least one-tenth of one percent, the percentage of outstanding shares such ownership represents. Except as indicated in the footnotes, directors, nominees and executive officers have sole voting and dispositive power over shares they beneficially own.

Name or Number in Group -----	Amount of Beneficial Ownership (a) (b) (c) -----	Percent of Class -----
Michael J. Chun	28,732	--
Leo E. Denlea, Jr.	29,800	--
W. Allen Doane	470,844	1.1
Walter A. Dods, Jr.	29,706	--
Charles G. King	31,085	--
Carson R. McKissick	29,700	--
C. Bradley Mulholland	439,866	1.1
Lynn M. Sedway	10,625	--
Maryanna G. Shaw	585,345	1.4
Charles M. Stockholm	30,675	--
Jeffrey N. Watanabe	--	--
James S. Andrasick	84,019	0.2
G. Stephen Holaday	164,754	0.4
Stanley M. Kuriyama	128,981	0.3
21 Directors, Nominees and Executive Officers as a Group	2,391,216	5.8

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- (a) Amounts do not include shares owned by spouses of those directors and executive officers who disclaim beneficial ownership thereof, as follows: Mr. McKissick - 600, and directors, nominees and executive officers as a group - 600. In addition, Mr. Stockholm and Ms. Shaw, who are husband and wife, each disclaim beneficial ownership of all shares beneficially owned by the other. Amounts do not include shares beneficially owned in a fiduciary capacity by trust companies or the trust departments of banks of which A&B directors are directors or officers, or both, and shares held by foundations or trusts of which A&B directors are trustees or directors, as follows: BancWest Corporation - 2,185,966 shares, Bank of Hawaii - 533,053 shares, The Wallace Alexander Gerbode Foundation, of which Ms. Shaw and Mr. Stockholm are trustees - 40,000 shares, and the William Garfield King Educational Trust, of which Mr. King is a trustee - 400 shares.
- (b) Amounts include shares as to which directors, nominees and executive officers have (i) shared voting and dispositive power, as follows: Mr. Chun - 3,458 shares, Mr. King - 685 shares (held by a living trust of which Mr. King is a co-trustee), Mr. Mulholland - 32,153 shares, Ms. Sedway - 1,125 shares (held by a living trust of which Ms. Sedway is a co-trustee), Ms. Shaw - 21,045 shares, and directors, nominees and executive officers as a group - 63,270 shares, and (ii) sole voting power only, as follows: Mr. Mulholland - 2,662 shares, Mr. Holaday - 362 shares, and directors, nominees and executive officers as a group - 9,531 shares.
- (c) Amounts include shares deemed to be owned beneficially by directors, nominees and executive officers because they may be acquired prior to May 9, 2003 through the exercise of stock options, as follows: Mr. Doane - 391,132, Mr. Mulholland - 318,166, Mr. Andrasick - 66,664, Mr. Holaday - 122,766, Mr. Kuriyama - 95,899, Ms. Shaw and Messrs. Chun, Denlea, Dods, King, McKissick and Stockholm - 24,000 each, Ms. Sedway - 9,000, and directors, nominees and executive officers as a group - 1,425,334.

Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires A&B's directors and executive officers, and persons who own more than 10 percent of its common stock, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission. A&B believes that during fiscal 2002, its directors and executive officers filed all reports required to be filed under Section 16(a) on a timely basis, except that Ms. Shaw was required to file a Form 4 on or before June 10, 2002 with respect to sales aggregating 41,100 shares, but such Form 4 was filed on July 8, 2002.

Certain Relationships and Transactions. Walter A. Dods, Jr., a director of A&B, is Chairman of the Board and Chief Executive Officer of BancWest Corporation, and Chairman of the Board and Chief Executive Officer of its banking subsidiary, First Hawaiian Bank.

First Hawaiian Bank (i) has a 24.32 percent participation in and is agent for a \$185,000,000 revolving credit and term loan agreement with A&B, under which \$17,500,000 was outstanding at February 13, 2003, (ii) has a revolving credit agreement with A&B under which the amount outstanding (no amount was outstanding at February 13, 2003), when combined with First Hawaiian Bank's share of amounts drawn under the previously described \$185,000,000 revolving credit and term loan agreement, may not exceed \$70,000,000, (iii) has a \$25,000,000 revolving credit facility with Matson to support the issuance of commercial paper, under which no amount was outstanding at February 13, 2003, (iv) has issued letters of credit, totaling \$13,806,000 as of February 13, 2003,

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on behalf of Matson for insurance security purposes, and (v) has issued letters of credit totaling \$1,950,000, as of February 13, 2003, on behalf of a real estate subsidiary to secure obligations to governmental agencies in connection with a real estate development.

EXECUTIVE COMPENSATION

Summary of Cash and Other Compensation. The following table summarizes the cash and noncash compensation paid by A&B for services rendered, during each of the last three completed fiscal years, by A&B's Chief Executive Officer and the four other most highly compensated executive officers. As used in this Proxy Statement, "named executive officers" means all persons identified in the Summary Compensation Table.

(a) Name and Principal Position	(b) Year	Annual Compensation			(f) Restricted Stock Awards (\$)(6)	Long-Term Awards (g) Security Underlying Options/ (#)
		(c) Salary(\$)	(d) Bonus(\$)(3)	(e) Other Annual Compensation (\$)(5)		
W. Allen Doane President and Chief Executive Officer of A&B, Chairman of Matson since July 2002	2002	665,000	587,400	2,252	187,808	75,000
	2001	650,000	296,287(4)	2,501	319,460	93,500
	2000	575,000	435,032(4)	2,325	369,337	87,500
C. Bradley Mulholland Executive Vice President of A&B, Vice Chairman of Matson (1)	2002	523,000	138,212(4)	1,250	207,286	33,500
	2001	520,347	58,268(4)	1,182	87,357	51,000
	2000	503,685	150,001(4)	1,097	316,845	48,000
James S. Andrasick (2) Executive Vice President, Chief Financial Officer and Treasurer of A&B, President and CEO of Matson	2002	322,500	330,243(4)	738	231,549	32,000
	2001	291,000	86,215(4)	480	129,285	44,000
	2000	160,417	67,505(4)	262	101,246	40,000
G. Stephen Holaday Vice President of A&B, General Manager of Hawaiian Commercial & Sugar Company	2002	255,725	97,815(4)	510	146,616	14,000
	2001	251,000	35,388(4)	480	52,987	21,000
	2000	240,400	60,023(4)	446	89,977	26,000
Stanley M. Kuriyama Vice President of A&B, Vice Chairman and Chief Executive Officer of A&B Properties, Inc.	2002	239,425	75,630(4)	510	174,676	22,000
	2001	235,000	67,152(4)	480	207,652	28,000
	2000	218,600	90,034(4)	446	134,966	26,000

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- (1) Mr. Mulholland was appointed Vice Chairman of Matson, effective July 1, 2002. He had been President and Chief Executive Officer of Matson from prior to January 1, 2000 to July 2002.
- (2) Mr. Andrasick became an executive officer of A&B effective June 2000, as Senior Vice President, Chief Financial Officer and Treasurer. He was appointed Executive Vice President of A&B effective April 25, 2002, and was appointed President and Chief Executive Officer of Matson, effective July 1, 2002.
- (3) "Bonus" consists of cash amounts earned for the fiscal year identified in column (b) under A&B's One-Year Performance Improvement Incentive Plan ("One-Year Plan"), except as set forth in note (4).
- (4) Represents the portion of the named executive officer's award under the One-Year Plan payable in cash. The named executive officer elected to receive the balance of the One-Year Plan award in restricted stock, the value of which is included in column (f). In the case of Mr. Andrasick in 2002, the amount also includes a bonus of \$215,000, in recognition of his additional responsibilities in 2002 as President and Chief Executive Officer of Matson.
- (5) "Other Annual Compensation" consists of amounts reimbursed to the named executive officers for their estimated income tax liability by reason of A&B's payments for the cost of personal excess liability insurance.
- (6) Represents (i) the dollar amount of One-Year Plan awards, for the fiscal year identified in column (b), elected to be received in stock, (ii) the dollar amount of A&B's Three-Year Performance Improvement Incentive Plan ("Three-Year Plan") awards, for the three-year plan cycle ending with and including the fiscal year identified in column (b), elected to be received in stock, and (iii) additional stock awarded, in the discretion of the Compensation and Stock Option Committee ("Committee"), in an amount equal to 50% of the dollar amount of the One-Year Plan and/or Three-Year Plan award that the named executive officer has elected to take in stock. As of December 31, 2002, the number and value (based upon a \$25.79 per share closing price of A&B's common stock on December 31, 2002) of shares of restricted stock held by the named executive officers are as follows: Mr. Doane - 41,936 shares (\$1,081,529); Mr. Mulholland - 26,031 shares (\$671,339); Mr. Andrasick - 8,451 shares (\$217,951); Mr. Holaday - 10,906 shares (\$281,266); and Mr. Kuriyama - 18,327 shares (\$472,653). Dividends are payable on the restricted shares if and to the extent payable on A&B's common stock generally.
- (7) "LTIP Payouts" consist of cash amounts earned under the Three-Year Plan for the three-year plan cycle ending with and including the fiscal year identified in column (b).
- (8) Represents the portion of the named executive officer's award under the Three-Year Plan payable in cash. The named executive officer elected to receive the balance of the Three-Year Plan award in restricted stock, the value of which is included in column (f).
- (9) "All Other Compensation" for 2002 includes: (i) amounts contributed by A&B to the A&B Profit Sharing Retirement Plan (Mr. Doane - \$9,000, Mr. Mulholland - \$9,000, Mr. Andrasick - \$9,000, Mr. Holaday - \$9,000, and Mr. Kuriyama - \$9,000), and (ii) amounts accrued for profit sharing under the A&B Excess Benefits Plan, pursuant to which executives chosen by the Committee receive additional credits and payments equal to the difference between the maximum benefit permitted under federal tax laws and the

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benefit the executives otherwise would receive under A&B's qualified plans (Mr. Doane - \$20,925, Mr. Mulholland - \$14,535, Mr. Andrasick - \$5,513, Mr. Holaday - \$2,508, and Mr. Kuriyama - \$1,774).

Option Grants. The following table contains information concerning the grant of stock options under A&B's 1998 Stock Option/Stock Incentive Plan during 2002 to the named executive officers.

### OPTION/SAR GRANTS IN LAST FISCAL YEAR

#### INDIVIDUAL GRANTS

Name	Number of Securities Underlying Options/SARs Granted (#)	Percent of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$/share)	Expiration Date	Grant Price (\$)
W. Allen Doane	75,000 (a)	17.4%	26.52	January 22, 2012	33
C. Bradley Mulholland	33,500 (a)	7.8%	26.52	January 22, 2012	14
James S. Andrasick	32,000 (a)	7.4%	26.52	January 22, 2012	14
G. Stephen Holaday	14,000 (a)	3.2%	26.52	January 22, 2012	6
Stanley M. Kuriyama	22,000 (a)	5.1%	26.52	January 22, 2012	9

- (a) Options granted on January 23, 2002 under the 1998 Stock Option/Stock Incentive Plan ("1998 Plan") with an exercise price per share equal to the fair market value of the underlying shares of A&B common stock on the grant date. These options become exercisable in three annual installments beginning one year after the date of grant. No stock appreciation rights were granted with these options. Each of these granted options ("original option") contains a reload feature, pursuant to which the optionee automatically will be granted a new option to the extent the original option is exercised within five years after the grant date through the optionee's delivery of previously-acquired shares of A&B common stock in payment of the exercise price, and certain other conditions are satisfied at the time of such exercise. The reload option will be granted at the time the original option is so exercised, and will allow the optionee to purchase the same number of shares of A&B common stock as is delivered in exercise of the original option. The reload option will have an exercise price per share equal to the greater of (i) the fair market value per share of A&B common stock on the date the reload option is granted or (ii) 150% of the exercise price per share in effect under the original option. The reload option will not become exercisable unless the shares purchased under the original option have been held for at least two years. In certain merger, reorganization or change in control situations involving A&B, the exercisability of options under the 1998 Plan, whether original or reload options, will be accelerated in accordance with the terms of the grant.

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(b) Based on the Black-Scholes option pricing model, the assumptions used included: (i) stock volatility of 23.4%, (ii) the expected exercise of options in 5.53 years, (iii) a risk-free rate of return of 2.8%, (iv) a discount of 2.9% for the forfeiture resulting from an executive officer's termination of employment prior to exercise, and (v) a long-term dividend yield of 3.4%. There is no assurance the value realized by an executive officer will be at or near the value estimated by this option pricing model. The actual value, if any, an executive officer may realize will depend upon how much the stock price has increased over the exercise price on the date the option is exercised.

Option Exercises and Fiscal Year-End Holdings. The following table provides information, with respect to the named executive officers, concerning (i) the exercise of stock options and stock appreciation rights during the 2002 fiscal year and the value realized in connection with such exercise, and (ii) the number and value of unexercised options held as of December 31, 2002.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR  
AND FY-END OPTION/SAR VALUES

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options/SARs At FY-End (#)	
			Exercisable	Unexercisable
W. Allen Doane	0	0	335,798	166,502
C. Bradley Mulholland	45,000	83,250 (a)	274,000	83,500
James S. Andrasick	0	0	41,332	74,668
G. Stephen Holaday	0	0	116,432	36,668
Stanley M. Kuriyama	0	0	78,065	49,335

(a) Based on the highest sales price of A&B common stock on date of exercise minus the exercise price.

(b) Based on the highest sales price of A&B common stock on December 31, 2002 (\$26.50 per share), minus the exercise price.

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Long-Term Incentive Plans. The following table provides information, with respect to the named executive officers, concerning threshold, target and maximum award levels determined in 2002 under A&B's Three-Year Performance Improvement Incentive Plan ("Three-Year Plan") for the three-year performance cycle beginning 2003 and ending 2005. Under the Three-Year Plan, neither shares, units nor other quantifiable rights are awarded to participants at the outset of the three-year cycle. Instead, at the beginning of the plan cycle, the Compensation and Stock Option Committee ("Committee"), with the advice and recommendations of management, identifies the participants for the Three-Year Plan and formulates the performance goals to be achieved for the plan cycle. Goals are established for A&B as a whole, for each major operating unit, and for some individual participants. At the end of each plan cycle, results are compared with goals, and awards are made accordingly. Aggregate awards for all participants under the Three-Year Plan generally are limited by minimum pre-tax income levels and return on adjusted net assets for A&B set by the Committee in advance of each plan cycle, and if such minimum levels are not reached, the aggregate awards to participants are reduced proportionately. The Committee retains the discretion to adjust awards if, in its judgment, the awards do not accurately reflect the performance of A&B, the major operating unit, or the individual. Participants may elect to receive awards earned under the Three-Year Plan entirely in cash or up to 50 percent in shares of A&B stock and the remainder in cash. Alternatively, participants may defer all or a portion of such awards. Cash amounts earned under the Three-Year Plan are reported in the "Summary Compensation Table" above for the year for which those amounts are earned, under column (h).

LONG-TERM INCENTIVE PLANS - AWARDS IN LAST FISCAL YEAR

Name	Performance or Other Period Until Matura- tion or Payout (1)	Estimated Future Payouts Un- der Non-Stock Price-Based Plans	
		Threshold (\$)	Target (\$)
W. Allen Doane	December 31, 2005	201,000	402,000
C. Bradley Mulholland	December 31, 2005	136,610	273,220
James S. Andrasick	December 31, 2005	68,000	136,000
G. Stephen Holaday	December 31, 2005	43,419	86,839
Stanley M. Kuriyama	December 31, 2005	45,169	90,338

(1) Performance period beginning January 1, 2003 and ending December 31, 2005.

(2) In addition to the amounts shown, if the executive officers elect to

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receive any portion of their awards in restricted shares of A&B common stock, the Committee may, in its sole discretion, award additional shares of A&B common stock under the A&B Restricted Stock Bonus Plan, valued at up to 50 percent of the amount of the awards elected to be taken in stock. Also, if the executive officers elect to defer all or a portion of their awards under the A&B Deferred Compensation Plan and to convert all or a portion of the deferred amount into common stock-equivalent units, the Committee may, in its sole discretion, award additional common stock-equivalent units of up to 50 percent of the number of such units into which the deferred award is initially converted.

Retirement Plans. The A&B Retirement Plan for Salaried Employees ("Retirement Plan"), a non-contributory defined benefit pension plan, provides retirement benefits to A&B's salaried employees who are not subject to collective bargaining agreements. The table below shows estimated annual retirement benefits to covered participants at normal retirement age (age 65) under this plan, including amounts payable under A&B's Excess Benefits Plan, pursuant to which executives chosen by the Committee will receive additional credits and payments equal to the difference between the maximum benefit permitted under federal tax laws and the benefit the executives otherwise would receive under A&B plans.

PENSION PLAN TABLE

Remuneration -----	Years of Service -----				
	15 --	20 --	25 --	30 --	35 --
\$ 200,000	\$ 52,862	\$ 70,483	\$ 88,103	\$ 96,913	\$105,724
300,000	80,612	107,483	134,353	147,788	161,224
400,000	108,362	144,483	180,603	198,663	216,724
500,000	136,112	181,483	226,853	249,538	272,224
600,000	163,862	218,483	273,103	300,413	327,724
700,000	191,612	255,483	319,353	351,288	383,224
800,000	219,362	292,483	365,603	402,163	438,724
900,000	247,112	329,483	411,853	453,038	494,224
1,000,000	274,862	366,483	458,103	503,913	549,724
1,100,000	302,612	403,483	504,353	554,788	605,224
1,200,000	330,362	440,483	550,603	605,663	660,724
1,300,000	358,112	477,483	596,853	656,538	716,224

Retirement benefits are based on participants' average monthly compensation in the five highest consecutive years of their final 10 years of service. Compensation includes base salary, overtime pay, certain commissions and fees, shift differentials and one-year bonuses. The amounts are based on an ordinary straight life annuity payable at normal retirement age, and do not give effect to social security offsets. Credited years of service as of March 1, 2003 for the named executive officers are: Mr. Doane - 11.9, Mr. Mulholland - 37.6, Mr. Andrasick - 2.8, Mr. Holaday - 20.1 and Mr. Kuriyama - 11.1.

In addition, Messrs. Doane, Mulholland, and Holaday participate in the A&B Executive Survivor/Retirement Benefit Plan ("Executive Survivor Plan"). The

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Executive Survivor Plan provides for a pre-retirement death benefit equal to 50 percent of final base compensation for 10 years and, at such person's election upon retirement, either (i) a continuation of such death benefit or (ii) an additional retirement income benefit equal to 26 percent of final base compensation for 10 years.

Severance Agreements. A&B currently has severance agreements (the "Severance Agreements") with Messrs. Doane, Mulholland, Andrasick, Holaday and Kuriyama in order to encourage their continued employment with A&B by providing them with greater security in the event of termination of their employment following a change in control of A&B. A&B also has entered into Severance Agreements with five other employees, including two other executive officers. Each Severance Agreement has an initial two-year term and is automatically extended at the end of each term for a successive one-year period, unless terminated by A&B. The Severance Agreements provide for certain severance benefits if the executive's employment is terminated by A&B without "cause" or by the executive for "good reason" following a "change in control" of A&B (as those terms are defined in the Severance Agreements). Upon such termination of employment, the executive will be entitled to receive a lump sum severance payment equal to two times the sum of the executive's base salary plus certain awards and amounts under various A&B incentive and deferred compensation plans, and an amount equal to the spread between the exercise price of outstanding options held by the executive and the higher of the then current market price of A&B common stock or the highest price paid in connection with a change in control of A&B. In addition, A&B will maintain all (or provide similar) employee benefit plans for the executive's continued benefit for a period of two years after termination. Each Severance Agreement provides for a tax gross-up payment to offset any excise taxes that may become payable by an executive by reason of Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended, if the executive's employment is terminated without cause or for good reason following a change in control of A&B.

### COMPENSATION AND STOCK OPTION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation and Stock Option Committee ("Committee") of the Board of Directors directs the management of A&B's executive compensation program. The Committee is composed entirely of independent, non-employee Board members, and is assisted by an international management consulting firm that advises the Committee on compensation matters.

#### Compensation Philosophy

The Committee has implemented an executive compensation philosophy, approved by the Board, that seeks to relate executive compensation to corporate performance, individual performance and creation of shareholder value. This philosophy is achieved through a performance-based compensation system, pursuant to which a substantial portion of executive officers' compensation is based on the short-term and long-term results achieved for A&B and A&B shareholders and on the executive officers' individual performances. For 2002, approximately 61% of the compensation of named executive officers in the above Summary Compensation Table was in the form of non-salary, performance-based compensation.

An objective of the executive compensation philosophy is to enable executive officers to receive above-average compensation, compared with compensation of executive officers with comparable job responsibilities at other companies, in order that A&B will be able to attract, retain and motivate executive officers. Achievement of above-average compensation is tied to corporate, business unit and individual performance, so there is no assurance that this level of compensation will be achieved.



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Comparative data is provided by the Committee's independent compensation consultant and is based on national compensation survey data from approximately 480 organizational operating units, controlled for size and complexity. This survey data includes eight of the companies (other than A&B) included in the Dow Jones US Industrial Transportation Index used in the Shareholder Return Performance Graph which appears in this Proxy Statement. A&B competes for executive talent across a broad group of industries, so survey data based on a broad group of industrial companies is more appropriate than survey data based on just the companies in the Dow Jones US Industrial Transportation Index.

Consistent with the foregoing compensation objectives, the Committee will not necessarily limit executive compensation to that amount deductible by A&B under Section 162(m) of the Internal Revenue Code of 1986, as amended. The Committee nevertheless will consider the deductibility of executive compensation as one factor in its consideration of compensation matters, and will consider reasonable steps and alternatives to preserve the deductibility of compensation payments.

In accordance with the Committee's executive compensation philosophy, the major components of compensation under A&B's executive compensation program consist of: (i) base salary, (ii) annual incentive compensation pursuant to the One-Year Performance Improvement Incentive Plan ("One-Year Plan"), (iii) annual incentive compensation pursuant to the Annual Incentive Plan ("Annual Incentive Plan"), and (iv) long-term incentive compensation pursuant to the Three-Year Performance Improvement Incentive Plan ("Three-Year Plan") and the 1998 Stock Option/Stock Incentive Plan ("1998 Plan").

### Base Salary

Adjustments to base salary, if any, are considered annually by the Committee. The Committee reviews the salary adjustments for the executive officers (other than the Chief Executive Officer) with the Chief Executive Officer and the senior human resources executive. In making a salary adjustment, the Committee considers the executive officer's performance in the past year, the previously-described survey data pertaining to the salary level necessary for A&B to pay competitively, and projected salary increases in the coming year for executive officers in the selected diversified group of companies, but does not consider any specific corporate performance factor. For 2002, the base salaries of the Chief Executive Officer and executive officers as a group were set to approximate a range between the 25th and 75th percentile of salaries in such diversified group, with the exception of three long-service executive officers (one of whom is a named executive officer), whose base salaries exceeded the 75th percentile.

### Annual Incentives

The One-Year Plan provides performance-based incentives to eligible executive officers and other key employees who contribute materially to the financial success of A&B. In determining the size of an incentive award to an executive officer, the Committee considers both corporate performance and individual performance (the latter includes the performance of the business unit for which the executive officer is responsible) in the past year. Corporate performance counts toward 10%-60% of the incentive awards, depending upon the executive officer's corporate responsibilities. For incentive awards granted for the 2002 plan cycle, the corporate performance factors, and their relative weights, were as follows: corporate profit before income tax (65%) and return on adjusted net assets (35%). The relevant corporate performance factors and their relative weights are determined annually by the Committee, and therefore are subject to change for future plan cycles.

The Annual Incentive Plan, adopted in December 2001, provides

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performance-based incentives to four groups of key employees, including executive officers, at the A&B corporate level or one of three strategic business units. Executive officers who are eligible under the One-Year Plan will not be eligible to participate in the Annual Incentive Plan. In determining the size of an incentive award to an executive officer, the Committee will consider both corporate performance and individual performance. Corporate performance will be measured, in the case of an executive officer at the A&B corporate level, by the performance of A&B as a whole, and, in the case of an executive officer located at one of the strategic business units, by the performance of the applicable operating unit or units.

Under either incentive Plan, at the beginning of each one-year plan cycle, the goals for corporate performance factors, as well as the goals for the specific business units to which the executive officers are assigned and the goals for the individuals themselves, are identified, and threshold, target and maximum award levels are assigned. At the end of each plan cycle, the amounts of the incentive awards, if any, are determined by comparing results with the performance goals under the applicable plan. Aggregate awards are limited by whether A&B or the business unit meets certain levels of performance set by the Committee in advance of each plan cycle. The Committee, however, retains the discretion to adjust awards if, in its judgment, the awards do not accurately reflect the performance of A&B, the unit or the individual.

### Long-Term Incentives

The Three-Year Plan is structured like the One-Year Plan, but provides performance-based incentives to eligible executive officers and a limited number of other key employees who contribute materially to the financial success of A&B on the basis of corporate performance and individual performance over a three-year performance cycle. Corporate performance counts toward 20%-100% of the incentive awards, depending upon the executive officer's corporate responsibilities. For incentive awards granted for the 2000-2002 plan cycle, the specific corporate performance factors, and their relative weights, were as follows: corporate profit before income tax (65%) and return on adjusted net assets (35%). As with the One-Year Plan, the relevant corporate performance factors and their relative weights are determined at the beginning of each plan cycle by the Committee, and therefore are subject to change for future plan cycles. In addition, as with the One-Year Plan, the specific business unit performance factors used in assessing individual performance, and their relative weights, vary by business unit and job position. These business unit performance factors include, but are not limited to, profit before income tax, revenue, cost reduction, gross margin, and cost of crops.

Stock option grants under the 1998 Plan are considered annually by the Committee. Stock option grants are viewed as a desirable long-term compensation method because they link directly the financial interests of executive officers with those of shareholders. Stock options are granted in the discretion of the Committee. In determining the size of a stock option award to an executive officer, the Committee considers, among other things, the shares covered by the option as a reflection of the executive officer's expected future contributions to A&B. In determining the size of stock option awards, the Committee does not consider amounts of stock options outstanding, but does consider the size of previously-granted stock options and the aggregate size of current awards.

### Chief Executive Officer Compensation

For 2002, the Committee approved a base salary increase for the Chief

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Executive Officer, based on his performance in the previous year and the salaries of other executive officers with comparable job responsibilities in the selected diversified group of companies. In this regard, the Committee's objective was to maintain a competitive base salary, which was set to correspond to a level between the median and the 75th percentile of base salaries in the selected diversified group of companies. Mr. Doane received an award under the Three-Year Plan for the 2000-2002 performance cycle that was between threshold and target, reflecting corporate profit before income tax and return on adjusted net assets that were between threshold and target. Mr. Doane's award under the One-Year Plan for 2002 approximated the commendable standard under that Plan, and the amount of the award was determined on the basis of the performance of A&B and Mr. Doane for the plan year. Mr. Doane also received a stock option grant totaling 75,000 shares in 2002. That grant was based on an overall review of corporate performance in 2001, without focus on any specific corporate performance measure, and an assessment of Mr. Doane's past and expected contributions to A&B.

The foregoing report is submitted by Leo E. Denlea, Jr. (Chairman), and Messrs. Michael J. Chun, Charles G. King, and Charles M. Stockholm.

### COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2002, the members of the Compensation and Stock Option Committee were Mr. Denlea, Chairman, and Messrs. Chun, King, and Stockholm. Mr. Stockholm serves as non-executive Chairman of the Board of A&B and served as non-executive Chairman of Matson through June 30, 2002.

### AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is composed of four directors who have been determined to be independent pursuant to the requirements of Nasdaq. The Board of Directors has adopted a written charter for the Audit Committee, a copy of which was attached as an appendix to A&B's 2001 Proxy Statement.

The Audit Committee provides assistance to the Board of Directors in fulfilling its obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of A&B. Among other things, the Audit Committee reviews and discusses with management and Deloitte & Touche LLP, A&B's independent auditors, the results of the year-end audit of A&B, including the auditors' report and audited financial statements. In this context, the Audit Committee has reviewed and discussed A&B's audited financial statements with management, has discussed with Deloitte & Touche LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, and, with and without management present, has discussed and reviewed the results of the independent auditors' examination of the financial statements.

The Audit Committee has received the written disclosures and the letter from Deloitte & Touche LLP required by Independence Standards Board Standard No. 1, and has discussed with Deloitte & Touche LLP its independence from A&B. The Audit Committee has determined that the provision of non-audit services rendered by Deloitte & Touche LLP to A&B is compatible with maintaining the independence of Deloitte & Touche LLP from A&B in the conduct of its auditing function.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that A&B's audited consolidated financial statements be included in A&B's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 for filing with the Securities and Exchange

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Commission. The Audit Committee also has appointed, subject to shareholder ratification, Deloitte & Touche LLP as independent auditors.

The foregoing report is submitted by Carson R. McKissick (Chairman), Mr. Walter A. Dods, Jr., Ms. Lynn M. Sedway, and Ms. Maryanna G. Shaw.

### SHAREHOLDER RETURN PERFORMANCE GRAPH

Set forth below is a line graph comparing the yearly percentage change in the cumulative total shareholder return on A&B's common stock against the cumulative total return of the S&P Composite - 500 Stock Index and the Dow Jones US Industrial Transportation Index (formerly known as the Dow Jones Transportation Index). The Dow Jones US Industrial Transportation Index is a published index, which includes A&B. For illustrative purposes, A&B again has chosen to display the Dow Jones US Real Estate Investment Index in the comparison.

[CHART]

\* \$100 INVESTED ON DECEMBER 31, 1997 IN ALEXANDER & BALDWIN, INC. COMMON STOCK, THE S&P 500 STOCK INDEX, THE DJ US INDUSTRIAL TRANSPORTATION INDEX, AND THE DJ US REAL ESTATE INVESTMENT INDEX. TOTAL RETURN ASSUMES REINVESTMENT OF DIVIDENDS. FISCAL YEARS ENDING DECEMBER 31.

	1997	1998	1999	2000	2001
	----	----	----	----	----
Alexander & Baldwin, Inc.	100	88	90	108	114
S&P Composite - 500	100	129	156	141	125
DJ US Industrial Transportation	100	101	93	98	111
DJ US Real Estate	100	79	75	95	106

### RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors has appointed Deloitte & Touche LLP as independent auditors of A&B for the ensuing year, and the Audit Committee recommends that shareholders vote in favor of ratifying such appointment. Deloitte & Touche LLP and its predecessors have served A&B as such since 1957. Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting, where they will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from shareholders.

Fees paid to Deloitte & Touche LLP (including affiliates) for services rendered for the year ended December 31, 2002 are as follows:

Audit Fees. For professional services rendered by Deloitte & Touche LLP for the audit of A&B's annual consolidated financial statements included in A&B's Form 10-K for 2002, and the reviews of the consolidated financial statements included in A&B's Forms 10-Q for 2002, A&B was billed aggregate fees of \$641,500.

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Financial Information Systems Design and Implementation Fees. For 2002, Deloitte & Touche LLP did not render professional services described in Paragraph (c) (4) (ii) of Rule 2-01 of Regulation S-X.

All Other Fees. For all other services rendered by Deloitte & Touche LLP for 2002, A&B was billed aggregate fees of \$75,000.

### OTHER BUSINESS

The Board of Directors of A&B knows of no other business to be presented for shareholder action at the Annual Meeting. However, should matters other than those set forth in this proxy statement properly come before the Annual Meeting, the proxyholders named in the accompanying proxy will vote upon them in accordance with their best judgment.

### SHAREHOLDER PROPOSALS FOR 2004

Proposals of shareholders intended to be presented pursuant to Rule 14a-8 under the Exchange Act at the Annual Meeting of A&B in the year 2004 must be received at the headquarters of A&B on or before November 10, 2003 in order to be considered for inclusion in the year 2004 proxy statement and proxy. In order for proposals of shareholders made outside of Rule 14a-8 under the Exchange Act to be considered "timely" within the meaning of Rule 14a-4(c) under the Exchange Act, such proposals must be received at the headquarters of A&B not later than January 24, 2004. A&B's Bylaws require that proposals of shareholders made outside of Rule 14a-8 under the Exchange Act must be submitted, in accordance with the requirements of the Bylaws, not later than January 24, 2004 and not earlier than December 25, 2003.

By Order of the Board of Directors

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

March 10, 2003

### PROXY CARD

ALEXANDER & BALDWIN, INC.  
822 Bishop Street, Honolulu, Hawaii 96813

PROXY FOR ANNUAL MEETING OF SHAREHOLDERS, APRIL 24, 2003  
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints W. A. Doane,  
W. A. Dods, Jr., and M. G. Shaw, and each of them,

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proxies with full power of substitution, to vote the shares of stock of Alexander & Baldwin, Inc., which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Corporation to be held on Thursday, April 24, 2003, and at any adjournments or postponements thereof, on the matters set forth in the Notice of Meeting and Proxy Statement, as follows:

(continued and to be signed on reverse side)

FOLD AND DETACH HERE

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSALS 1 AND 2 BELOW.

---

Please mark your X votes as indicated in this example

1. ELECTION OF DIRECTORS (Check one box only): 01 M. J. Chun, 02 L. E. Denlea, Jr., 03 W. A. Doane, 04 W. A. Dods, Jr., 05 C. G. King, 06 C. R. McKissick, 07 C. B. Mulholland, 08 M. G. Shaw, 09 C. M. Stockholm, 10 J. N. Watanabe.

FOR all nominees listed to the right: [ ]

(To withhold authority to vote for any individual nominee, check the "FOR all nominees" box to the left and write the name of the nominee for whom you wish to withhold authority in the space provided below.)

WITHOUT AUTHORITY to vote for all nominees listed to the right: [ ]

2. PROPOSAL TO RATIFY THE APPOINTMENT OF DELOITTE & TOUCHE LLP as the auditors of the Corporation:

FOR [ ] AGAINST [ ] ABSTAIN [ ]

3. In their discretion on such other matters as may properly come before the meeting or any adjournments or postponements thereof.

THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR PROPOSALS 1 AND 2 AND IN THE DISCRETION OF THE PROXIES ON SUCH OTHER MATTERS AS PROPERLY MAY COME BEFORE THE MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF.

PLEASE SIGN, DATE AND RETURN THIS PROXY PROMPTLY IN THE ENCLOSED ENVELOPE.

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PLEASE SIGN EXACTLY AS NAME(S) APPEARS ABOVE

Signature\_\_\_\_\_ Signature\_\_\_\_\_ Date\_\_\_\_\_

IMPORTANT: WHEN STOCK IS IN TWO OR MORE NAMES, ALL MUST SIGN. WHEN SIGNING AS EXECUTOR, TRUSTEE, GUARDIAN OR OFFICER OF A CORPORATION, GIVE TITLE AS SUCH.

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FOLD AND DETACH HERE

Vote by Internet or Telephone or Mail  
24 Hours a Day, 7 Days a Week

Internet and telephone voting is available through 11PM Eastern Time the business day prior to the annual meeting day.

Your telephone or Internet vote authorizes the names proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

Internet  
<http://www.eproxy.com/alex>

Use the Internet to vote your proxy. Have your proxy card in hand when you access the web site. You will be prompted to enter your control number, located in the box below, to create and submit an electronic ballot.

OR

Telephone  
1-800-435-6710

Use any touch-tone telephone to vote your proxy. Have your proxy card in hand when you call. You will be prompted to enter your control number, located in the box below, and then follow the directions given.

OR

Mail

Please sign and date your proxy card and return it in the enclosed postage-paid envelope.

If you vote your proxy by Internet or by telephone,  
you do NOT need to mail back your proxy card.