

Alexander & Baldwin, Inc.
2018 Dividend Reporting
Frequently Asked Questions

This discussion of frequently asked questions is general in nature. It is not, and is not intended to be, a substitute for consultation with your personal tax, financial, and legal advisors. **We urge you to consult with such advisors regarding the appropriate treatment of the dividends to your particular situation.**

Why did I receive Form 1099-DIV for 2018?

You were a shareholder of record when the board of directors of Alexander & Baldwin, Inc. (the “Company”) declared a Special Distribution of \$783 million, payable in either a combination of cash and stock, or by election, solely stock. The Special Distribution was paid to shareholders on January 23, 2018.

Of the \$783 million Special Distribution, a total of \$741.7 million was reportable to investors in 2017, and the remaining \$41.3 million is reportable to investors for the 2018 tax year. The 2018 Form 1099-DIV you received reports the character of your share of the \$41.3 million portion of the Special Distribution, attributable to 2018.

For a more detailed discussion of the income tax consequences of the Special Distribution, please refer to the materials provided to shareholders at <http://investors.alexanderbaldwin.com/special-distribution>

What is the treatment to U.S. Holders of the portion of the Special Distribution that exceeds our Non-REIT E&P and our earnings and profits for the 2017 and 2018 taxable years, if any?

Your share of the amount of the Special Distribution that exceeded the Company’s earnings and profits (and thus represents a nondividend distribution) for 2018 is reported to you in Box 5 of Form 1099-DIV.

To the extent the Special Distribution exceeds our Non-REIT E&P and our earnings and profits for the 2017 and 2018 taxable years, such excess will generally represent a return of capital and will not be taxable to a U.S. Holder to the extent that it does not exceed the adjusted basis of the U.S. Holder’s shares in respect of which the Special Distribution was made, but rather, will reduce the adjusted basis of those shares. To the extent that the portion of the Special Distribution that is a return of capital exceeds the adjusted basis of a U.S. Holder’s shares, it will generally be included in income as long-term capital gain, or short-term capital gain if the shares have been held for one year or less.

For some U.S. Holders, the Special Distribution and any distributions considered related under section 1059 of the Internal Revenue Code of 1986, as amended (the “Code”) may be an “extraordinary dividend.” An “extraordinary dividend” is a dividend that is equal to at least 10% of a shareholder’s adjusted basis in its common stock. A noncorporate U.S. Holder that receives an extraordinary dividend and later sells its underlying shares at a loss will be treated as realizing a long-term capital loss, regardless of its holding period in its common stock, to the extent of the extraordinary dividend.

Certain U.S. Holders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare tax on all or a portion of their “net investment income,” which includes dividend income or capital gains recognized as a result of the Special Distribution.

What is the purpose of Form 8937?

The Code requires a corporation that takes certain actions that can affect a shareholder's basis in securities to notify those shareholders of the effects of the actions taken. Here, as described above, a portion of the 2018 distribution is a non-dividend distribution. Form 8937 is for your information only.

What are Section 199A dividends, reported in box 5 on form 1099-DIV?

The Tax Cuts and Jobs Act created a new provision of the Internal Revenue Code, Section 199A, which provides certain taxpayers with a deduction (the Qualified Business Income Deduction).

For individual income taxpayers, the IRS has updated the instructions for Form 1040 to include a discussion of the U.S. federal income tax treatment of Section 199A to REIT shareholders. The IRS has posted the instructions here: <https://www.irs.gov/pub/irs-pdf/i1040gi.pdf>

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|---|---|---|------------------------------------|
| 1 Issuer's name Alexander & Baldwin, Inc. | | 2 Issuer's employer identification number (EIN) 45-4849780 | |
| 3 Name of contact for additional information Kenneth Kan | 4 Telephone No. of contact 808-525-6611 | 5 Email address of contact kkan@abhi.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 822 Bishop St | | 7 City, town, or post office, state, and ZIP code of contact Honolulu, HI 96813 | |
| 8 Date of action January 23, 2018 | | 9 Classification and description Common stock distribution | |
| 10 CUSIP number 014491104 | 11 Serial number(s) N/A | 12 Ticker symbol ALEX | 13 Account number(s) N/A |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On January 23, 2018, Alexander & Baldwin, Inc. made a Special Distribution to its common shareholders, a portion of which was reportable by such shareholders in 2017, and the remainder of which is now reportable by them in 2018. A portion of the 2018 distribution represents a non-dividend distribution, as the distribution exceeded the Company's earnings and profits.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The portion of the Special Distribution that is a non-dividend distribution in the hands of a U.S. holder of ALEX shares, in 2018, is \$0.178213 per share.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The Company's earnings and profits were computed under IRC Section 312, as modified by IRC Section 857(d) for a real estate investment trust, and the regulations promulgated thereunder. Amounts distributed to a U.S. holder of stock, in excess of the Company's earnings and profits will shareholder's basis in the shares held, to the extent of such shareholder's basis.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► IRC Sections 301, and 316

18 Can any resulting loss be recognized? ► N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ► /s/ KEVIN S. NISHIOKA Date ► January 15, 2019
Print your name ► Kevin S. Nishioka Title ► Vice President, Tax

| | | | | | |
|-------------------------------|----------------------------|----------------------|------|---|------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's name ► | Firm's EIN ► | | | |
| | Firm's address ► | Phone no. | | | |