

Testimony of Matson, Inc.  
Comments on HB149  
Before the Committee on Judiciary & Hawaiian Affairs  
January 28, 2025

Dear Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

Matson, Inc. (Matson) appreciates the opportunity to provide comments on HB149, which places additional reporting requirements on domestic and foreign corporations.

For many public companies, a substantial majority of shares are held in the name of a brokerage, bank, trust, or other nominee as a custodian (i.e. in “street name”). Public companies such as Matson only have information regarding registered shareholders who typically hold a small percentage of the company’s outstanding common stock. If a public company would like to communicate directly with “street name” holders, it can request a list of non-objecting beneficial owners (“NOBOs”) who have agreed to share personal information with the company. There are also objecting beneficial owners (“OBOs”) who elect to keep their information confidential. Requesting a NOBO list is very expensive. A shareholder mailing can cost several tens of thousands of dollars. Even with a NOBO list, a company cannot identify all its shareholders. Furthermore, a public company cannot guarantee that brokers and intermediaries will forward all communications to OBOs. As such, no public company can ensure that a mailing would reach all shareholders.

Once a year, public companies are required to hold an annual meeting and provide proxy materials to shareholders. Banks, brokers, and other intermediaries agree to forward these materials to street name shareholders. In the past, public companies used to print and mail copies of the annual report, proxy statement, and proxy card to shareholders. To decrease the costs for printing and mailing annual meeting materials, reduce waste, and minimize negative impacts on the environment, in 2007, the United States Securities and Exchange Commission (“SEC”) adopted “notice and access” rules which allow a public company to post proxy materials on its website and mail a one-page notice that materials for the meeting are available electronically. SEC rules prohibit including other shareholder communications like the political contributions report proposed by this measure with or in the notice. (*See* 17 CFR 240.14a-16.)

Matson complies with all federal and state reporting requirements. The information required to be reported under this measure is already publicly available and easily accessible through the State of Hawaii Campaign Spending Commission website and the United States Federal Election Commission website. All interested parties, including investors, can find this information through a quick web search, which will yield the most up-to-date information. This measure requires yearly reporting, which would not be the most current information at the time of search and could cause confusion. Given the complexity, cost, and limitations described above and that the information is already easily and readily accessible on government websites, we believe this measure is unnecessary and may have the unintended consequence of causing confusion.

Thank you for considering our comments.