

MAUI LAND & PINEAPPLE CO INC
Form DEF 14A
March 27, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

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 §240.14a-12

MAUI LAND & PINEAPPLE COMPANY, INC.
(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
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- Fee paid previously with preliminary materials.
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MAUI LAND & PINEAPPLE COMPANY, INC.

March 31, 2006

To Our Shareholders:

I am pleased to invite you to our 2006 Annual Meeting of Shareholders, which will be held on Monday, May 8, 2006 at 8:30 a.m. in Salon 1 at The Ritz Carlton, Kapalua, in Lahaina, Hawaii.

At the meeting, we will (i) elect three Class One directors for a three-year term; (ii) ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company to serve for the 2006 fiscal year; (iii) consider and vote upon an amendment to the Articles of Association to authorize an additional 1,000,000 shares of the Company's common stock; (iv) consider and vote upon approval of the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan and (v) transact such other business as may properly come before the meeting or any continuation, postponement or adjournment of the meeting. We know of no other matters to be brought up at the meeting.

It is important that your shares be represented and voted whether or not you expect to attend the meeting in person. You may vote your shares by proxy using the internet, by telephone, or by returning the enclosed proxy card or voting instruction form forwarded by your bank, broker or other holder of record. Please review the instructions on the enclosed proxy card or voting instruction form regarding each of these voting options. If you attend the meeting, you may withdraw your proxy and vote in person, if you wish.

We look forward to seeing you there should you be able to attend.

Sincerely,

David C. Cole
Chairman, President & Chief Executive Officer

MAUI LAND & PINEAPPLE COMPANY, INC.

120 Kane Street, P. O. Box 187
Kahului, Maui, Hawaii 96733-6687

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF
MAUI LAND & PINEAPPLE COMPANY, INC.:

Notice is hereby given that the Annual Meeting of Shareholders of Maui Land & Pineapple Company, Inc. (the Company) will be held on Monday, May 8, 2006 at 8:30 a.m. in Salon 1 at The Ritz Carlton, Kapalua, One Ritz-Carlton Drive, Lahaina, Hawaii, for the following purposes:

1. To elect David C. Cole, Walter A. Dods, Jr. and Fred E. Trotter III as Class One directors to serve for a three-year term or until their successors are elected and qualified;
2. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for fiscal year 2006;
3. To consider and vote upon an amendment to the Articles of Association to authorize an additional 1,000,000 shares of the Company's Common Stock;
4. To consider and vote upon approval of the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan; and
5. To transact such other business as may be properly brought before the meeting or any postponement or adjournment thereof.

Shareholders of record of Maui Land & Pineapple Company, Inc. (AMEX: MLP) Common Stock at the close of business on March 13, 2006 are entitled to notice of and to vote at the Annual Meeting or any postponements or adjournments thereof.

Your attention is directed to the Proxy Statement enclosed.

BY ORDER OF THE BOARD OF DIRECTORS,

ADELE H. SUMIDA
Secretary

Dated: March 31, 2006

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. PLEASE VOTE AS PROMPTLY AS POSSIBLE BY USING THE INTERNET, BY TELEPHONE OR BY SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED. FOR SPECIFIC INSTRUCTIONS ON VOTING, PLEASE REFER TO THE INSTRUCTIONS ON THE PROXY CARD OR THE INFORMATION FORWARDED BY YOUR BANK, BROKER OR OTHER HOLDER OF RECORD. EVEN IF YOU HAVE VOTED YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BANK, BROKER OR OTHER NOMINEE AND YOU WISH TO VOTE IN PERSON AT THE MEETING, YOU MUST OBTAIN A PROXY ISSUED IN YOUR NAME FROM SUCH BANK, BROKER OR OTHER NOMINEE.

MAUI LAND & PINEAPPLE COMPANY, INC.
120 Kane Street, P. O. Box 187
Kahului, Maui, Hawaii 96733-6687

PROXY STATEMENT

General

This proxy is solicited on behalf of the Board of Directors (the Board of Directors or the Board) of Maui Land & Pineapple Company, Inc., a Hawaii corporation (the Company), for the 2006 Annual Meeting of Shareholders (the Annual Meeting) to be held on May 8, 2006, at 8:30 a.m. in Salon 1 at The Ritz Carlton, Kapalua, in Lahaina, Hawaii, or any continuation, postponement or adjournment thereof, for the purposes discussed in this Proxy Statement. Proxies are solicited to give all shareholders of record an opportunity to vote on matters properly presented at the Annual Meeting. This Proxy Statement and accompanying proxy card are first being mailed on or about March 31, 2006 to all shareholders entitled to vote at the Annual Meeting.

Who Can Vote

Holders of record of shares of the Company's common stock, no par value (Common Stock), at the close of business on March 13, 2006 will be entitled to vote at the Annual Meeting. The securities entitled to vote at the Annual Meeting consist of shares of Common Stock of the Company, with each share entitling its owner to one vote per share. Shareholders do not have cumulative voting.

Your shares may be voted at the Annual Meeting only if you are present in person or represented by a valid proxy. You may vote by proxy on the internet, by telephone or by completing and mailing the enclosed proxy card. For your convenience, a self-addressed envelope is enclosed; it requires no postage if mailed in the United States. Voting by proxy on the internet or by telephone may not be available to all shareholders. For specific instructions on voting, please refer to the instructions on the proxy card or the information forwarded by your bank, broker or other holder of record. The internet and telephone voting facilities will close at 11:59 p.m. Eastern Time on May 7, 2006. Shareholders who vote through the internet should be aware that they may incur costs to access the internet, such as usage charges from telephone companies or internet service providers and that these costs must be borne by the shareholder. Shareholders who vote by internet or telephone need not return a proxy card by mail. If you are the beneficial owner of shares held in street name by a broker, bank or other nominee then your broker, bank or other nominee, as the record owner of the shares, must vote those shares in accordance with your instructions. Please refer to the instruction card they provide for voting your shares.

A list of shareholders entitled to vote at the Annual Meeting will be available for examination by any shareholder for any purpose germane to the Annual Meeting during ordinary business hours at the executive offices of the Company at 120 Kane Street, P.O. Box 187, Kahului, Maui, Hawaii 96733-6687 for the ten days prior to the Annual Meeting, and also at the Annual Meeting.

Shares Outstanding and Quorum

The number of outstanding shares of Common Stock at the close of business on March 13, 2006 was 7,378,550. If a majority of the Company's outstanding shares of Common Stock are represented at the meeting, either in person or by proxy, a quorum will exist for conducting business.

Proxy Card

Shares of the Company's Common Stock represented by properly executed proxies received by the Company at or prior to the Annual Meeting and not subsequently revoked will be voted as directed in those proxies. If a proxy is signed and no directions are given, shares represented thereby will be voted (i) in favor of electing the Board's three nominees for director, (ii) in favor of the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm, (iii) in favor of the amendment to the Articles of Association of the Company to authorize an additional 1,000,000 shares of the Company's Common Stock and (iv) in favor of the approval of the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan (the "2006 Plan"). The proxy confers discretionary authority on the persons it names as to all other matters that may come before the Annual Meeting and at any continuation, postponement or adjournment thereof. The Board of Directors knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this Proxy Statement. In addition, no shareholder proposals or nomination was received on a timely basis, so no such matters may be brought to a vote at the Annual Meeting.

If you are the beneficial owner of shares held in "street name" by a broker, bank or other nominee then your broker, bank or other nominee, as the record owner of the shares, must vote those shares in accordance with your instructions. If you do not give instructions to your broker, bank or other nominee, then your broker, bank or other nominee can vote your shares with respect to discretionary items, but not with respect to non-discretionary items. On non-discretionary items, for which you do not give instructions, the shares will be treated as broker non-votes. A discretionary item is a proposal that is considered routine under the rules of the American Stock Exchange. Shares held in street name may be voted by your broker, bank or other nominee on discretionary items in the absence of voting instructions given by you. Except for the proposal to approve the 2006 Plan, the proposals to be presented at the Annual Meeting are considered to be discretionary and therefore may be voted upon by your bank or other nominee if you do not give instructions for the shares held by your broker, bank or other nominee. Under the rules of the American Stock Exchange, the proposal to approve the 2006 Plan is a non-discretionary matter and thus broker non-votes may result on this proposal.

Revocation of Proxy

If you are a shareholder of record and vote by proxy, you may revoke your proxy at any time before it is voted by:

- Signing and returning another proxy card bearing a later date;
- submitting another proxy on the internet or by telephone (your latest telephone or internet voting instructions are followed); or
- giving written notice of revocation to the Company's Secretary prior to or at the Annual Meeting or voting at the annual meeting.

Your attendance at the Annual Meeting will not have the effect of revoking your proxy unless you give written notice of revocation to the Corporate Secretary of the company before the polls are closed. Any written notice revoking a proxy should be sent to the Company's Secretary at the Company's principal executive office at 120 Kane Street, P.O. Box 187, Kahului, Maui, Hawaii 96733-6687, and must be received before the polls are closed.

If your shares are held in the name of a broker, bank or other nominee, you may change your vote by submitting new voting instructions to your bank, broker or other record holder. Please note that if your shares are held of record by a broker, bank or other nominee, and you decide to attend and vote at the Annual Meeting, your vote in person at the Annual Meeting will not be effective unless you present a legal proxy, issued in your name from your broker, bank or other record holder.

Counting of Votes

Shares represented by proxies that reflect abstentions as to a particular proposal and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum.

Directors are elected by a plurality of votes cast, so the three nominees who receive the most votes will be elected. Abstentions will not be taken into account in determining the election of directors and broker non-votes will not result because the election of directors is a discretionary matter.

Ratification of the independent registered public accounting firm and the proposal to approve the 2006 Plan, will require an affirmative vote of a majority of shares present or represented by proxy at the Annual Meeting and entitled to vote on the matter. Abstentions will have the same effect as votes against the ratification and the proposal. Because the ratification of the independent registered public accounting firm is a discretionary matter, broker non-votes will not result for this item. As a non-discretionary matter, broker non-votes will result for the proposal to approve the 2006 Plan, but they will have no effect on the outcome of the voting for this proposal. The implementation of this proposal is also conditioned upon shareholder approval of the amendment to the Company's Articles of Association to increase the amount of authorized shares of Common Stock by 1,000,000 shares.

Pursuant to the Hawaii Business Corporation Act, approval of the amendment to the Company's Articles of Association to increase the amount of authorized shares of Common Stock requires the affirmative vote of the holders of two-thirds of the shares entitled to vote thereon. Therefore, at least 4,919,034 shares, or two-thirds of the outstanding shares of the Company's Common Stock as of March 13, 2006, must be voted in favor of this proposal for the amendment contemplated thereby to be approved. Abstentions will have the same effect as votes against this proposal. Because this proposal is a discretionary matter, broker non-votes will not result for this proposal.

Solicitation of Proxies

The Company will bear the entire cost of solicitation of proxies, including preparation, assembly and mailing of this Proxy Statement, the proxy and any additional information furnished to shareholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of Common Stock in their names that are beneficially owned by others to forward to those beneficial owners. The Company may reimburse persons representing beneficial owners for their costs of forwarding the solicitation materials to the beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile, electronic mail or personal solicitation by directors, officers or employees of the Company. No additional compensation will be paid to directors, officers or employees for such services. In addition, the Company has retained Mellon Investor Services LLC to assist in the solicitation of proxies for a fee of approximately \$5,500.00, plus reasonable out-of-pocket expenses.

**ITEM 1
ELECTION OF DIRECTORS**

General Information Election of Directors

Our Articles of Association provides for a Board of Directors of not less than nine nor more than twelve directors and authorizes the Board to periodically to set the number of directors within that range by a majority vote. The number of authorized directors is currently set by the Board at nine. Our Articles of Association and the Bylaws of the Company also divides our Board of Directors into three classes of directors consisting currently of three members in each class, with each class holding office for three years in staggered terms. Three Class One directors are to be elected at the 2006 Annual Meeting for a three-year term ending in 2009. The second class consists of the three Class Two directors whose term of office expires in 2007. The third class consists of the three Class Three directors whose term of office expires in 2008.

Vacancies on the Board may be filled only by persons elected by a majority of the directors remaining in office, even though less than a quorum. A director elected by the Board to fill a vacancy will serve for the remainder of the full term of the class of directors in which the vacancy occurred and until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal. On March 13, 2006 and based upon the recommendation of the Nominating and Governance Committee, the Board of Directors unanimously appointed Mr. Warren H. Haruki to the Board as a Class Three director with his term in office expiring in 2008 to fill the position that was left vacant by the resignation of Richard H. Cameron in May 2005.

Based upon the recommendation of the Nominating and Governance Committee, our Board has nominated the following individuals for election to Class One positions with their term in office expiring in 2009: Messrs. David C. Cole, Walter A. Dods, Jr., and Fred E. Trotter III, each of whom currently serve as Class One directors.

Set forth below is biographical information for each nominee and for each person whose term of office as a director will continue after the Annual Meeting. There are no family relationships among any directors of the Company.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE THREE PERSONS NOMINATED BY THE BOARD FOR CLASS ONE DIRECTOR.

Class One Director Nominees for election at the Annual Meeting of Shareholders in 2006:

David C. Cole (53)

Mr. Cole has served as President and Chief Executive Officer of Maui Land & Pineapple Company, Inc. since October 2003 and Chairman of the Board since March 2004. He has served as Manager of Sunnyside Farms, LLC, an organic foods, retailing and property development company in Washington, Virginia since 1997. Since 1997 Mr. Cole has been President of Aquaterra, Inc., an investment management firm that serves as managing general partner for Pan Pacific Ventures LP, Catalyst II LLC, and Aquaterra Partners, LLC, partnerships with interests in software, real estate, agriculture, retailing, and consumer products. Mr. Cole has served in a variety of executive positions, including Chairman, President and CEO of Ashton-Tate Corporation, a software company, Chairman of Twin Farms Collection, LLC, a luxury resort, and Chairman, President and CEO of NaviSoft, Inc., an online publishing software company that was acquired by America Online, Inc. (AOL) in 1994. From 1994 to 1997, he served as an

officer of AOL, initially as President of AOL's Internet Services Company and later as President of AOL's New Enterprises Group. Mr. Cole is the Chairman of the Board of Trustees for the Nature Conservancy of Hawaii, and on the boards of the privately held companies Hawaii Superferry, Inc. and Grove Farm Company, Inc. He also serves on the boards of various community and non-profit organizations. Pursuant to the terms of his employment agreement with the Company, Mr. Cole was appointed to the Board to fill the vacancy that was created by the increase in Board size at a special meeting of shareholders held in December 2003 and appointed Chairman of the Board in March 2004.

Walter A. Dods, Jr. (64)

Mr. Dods has served as Chairman of BancWest Corporation, a bank holding company in Honolulu, Hawaii since January 2005. He is also the Chairman of First Hawaiian Bank since 1989. Mr. Dods was Chairman and Chief Executive Officer of BancWest Corporation from 1998 through December 2004; Chairman and CEO of First Hawaiian Bank from 1989 to 1998; and President from 1984 to 1989. Mr. Dods serves on the boards of Alexander & Baldwin, Inc., a diversified company with most of its operations centered in Hawaii, and subsidiary Matson Navigation Company, Inc., an ocean transportation and related shore side services company. He also serves on the boards of Pacific Guardian Life Insurance Company and First Insurance Company of Hawaii, Ltd. and the privately held companies, Servco Pacific, Inc. and Grace Pacific Corporation. Mr. Dods is the Hawaii Chairman of the Japan-Hawaii Economic Council and also serves on the boards of various community and non-profit organizations. Mr. Dods has been a director of the Company since October 2004.

Fred E. Trotter III (75)

Mr. Trotter has served as President of F. E. Trotter Inc., a business consulting firm in Honolulu, Hawaii since 1991. He was a Trustee of The Estate of James Campbell, a private trust, in Honolulu, Hawaii, from 1970 to 1991. Mr. Trotter is a director of the privately held company Waterhouse Inc. He is a member of the Executive Committee of JAIC-Shinrai Venture Capital, Investment, Ltd., a Japanese limited partnership. Mr. Trotter serves on the board of the Aloha Council Boy Scouts of America and various other community organizations. Mr. Trotter has extensive experience in agribusiness and property management in Hawaii. Mr. Trotter has been a director of the Company since 1992.

Class Two Directors Term expires in 2007:

Thomas M. Gottlieb (53)

Mr. Gottlieb has served as a founding partner in Geolo Investment Group, a privately held company that provides value-added capital to high-growth consumer focused businesses in travel and leisure, hospitality and live entertainment since January 2005. He is also a co-managing Member and co-founder of Palm Cove Capital, a financial services and investment company in Honolulu, Hawaii, since December 2001. Mr. Gottlieb served as Founder, Chairman and CEO of Mandara Spa, one of the world's leading operators of luxury resort spas from January 1996 to December 2004. Mr. Gottlieb has extensive experience in real estate development, the

David A. Heenan (66)

hospitality industry, banking and venture capital. He founded The Odyssey Club, a luxury multi-site Private Residence Club and Sierra Pacific Investments, a private equity investment company that acquired and operated hotels, spas and office buildings in Northern California. Mr. Gottlieb is a director of the privately held companies, Exclusive Resorts LLC and Grove Farm Company Inc. Mr. Gottlieb has been a director of the Company since May 2004.

Kent T. Lucien (52)

Mr. Heenan has served as Trustee of The Estate of James Campbell, a private trust in Honolulu, Hawaii since 1995. He was Chairman, President and Chief Executive Officer of Theo. H. Davies & Co., Ltd., the North American holding company for the Hong Kong-based Jardine Matheson from 1982 to 1995. Mr. Heenan is a director of Bank of Hawaii Corporation. He was Chairman of the Company's Board from May 2003 to March 2004. Mr. Heenan has been a director of the Company since 1999. Mr. Lucien has served as Chief Executive Officer of Operations of C. Brewer and Co., Ltd. & Subsidiaries, a privately held company headquartered in Honolulu, Hawaii, with operations in agriculture, real estate, and stevedoring since 2001; and Executive Vice President and Chief Financial Officer from 1991 to 2001. From 1991 to August 2001, he also was President and a Director of ML Macadamia Partners, a New York Stock Exchange listed master limited partnership, which farmed over 7,000 acres of macadamia orchards. Mr. Lucien serves on the boards of C. Brewer and Co., Ltd. and Wailuku Water Company, LLC. Mr. Lucien has been a director of the Company since May 2004.

Class Three Directors Term expires in 2008:

Duncan MacNaughton (62)

Mr. MacNaughton has served as Chairman of The MacNaughton Group/Poseiden Properties, Inc., a group of companies that includes real estate development, consulting and leasing since 1985. Mr. MacNaughton has extensive experience in real estate development as principal developer and/or owner of properties including Ainamalu residential subdivision, Kaanapali Royal resort condominiums, Costco Center at Bougainville Industrial Park, Pali Momi Medical Center, Waikele Center and Maui Marketplace, and the exclusive developer for Kmart Corporation's stores in Hawaii. Mr. MacNaughton serves on the boards of several privately held companies and various community organizations. Mr. MacNaughton has been a director of the Company since May 2004.

Warren H. Haruki (53)

Mr. Haruki has served as President and Chief Executive Officer of Grove Farm Company, Inc., a land development company located on Kauai, Hawaii since 2005, and has been a Trustee of Parker Ranch Foundation since 2004. He was President of GTE Hawaiian Tel and Verizon Hawaii, communications providers, from 1991 to 2003. Mr. Haruki is on the boards of the privately held companies, Parker Ranch, Inc., First Hawaiian Bank, Pacific Guardian Life Insurance Company, Hawaii Planing Mill, Ltd., Hawaii Superferry, Inc. and various non-profit organizations. Mr. Haruki was appointed to the Company's Board in March 2006 to fill the position left vacant by the resignation of Richard H. Cameron in May 2005.

John H. Agee (57)

Mr. Agee has served as President and Chief Executive Officer of Ka Po`e Hana LLC, a private family investment entity since May 2000. He is also Executive Vice President of The Case Foundation, a private foundation in Washington D.C., Executive Vice President of Accelerate Brain Cancer Cure, Inc. and Chief Financial Officer of the Dan and Stacey Case Family Foundation. Mr. Agee was President of Adler Management LLC from 1986 to January 2000. Mr. Agee serves on the board of Grove Farm Company, Inc. (a privately held company), and various community and non-profit organizations. Mr. Agee has been a director of the Company since 2001.

Board Independence, Meetings and Committees

The Board maintains charters for each of its Audit Committee, Compensation Committee and Nominating and Governance Committee. In addition, both the listing standards of the American Stock Exchange and the Company's bylaws require that a majority of the Board be independent within the meaning of the American Stock Exchange listing standards. The Board of Directors has affirmatively determined that all nominees for election to the Board at the Annual Meeting, except for Mr. Cole, and all continuing directors, except for Mr. Haruki, are independent pursuant to Section 121 of the American Stock Exchange Company Guide.

In 2005, the Board of Directors held six meetings, the Audit Committee held five meetings, the Compensation Committee held three meetings and the Nominating and Governance Committee held one meeting. In 2005, all directors with the exception of Mr. Gottlieb attended at least 75% of the aggregate meetings of the Board and committees on which they serve. The independent directors met four times in executive session in 2005. Board members are encouraged, but not required to attend the Company's Annual Meeting of Shareholders. The Company's 2005 Annual Meeting of Shareholders was attended by all directors.

The Audit Committee's duties and responsibilities are set forth in a written charter, which was filed as an exhibit to the Company's proxy statement dated March 28, 2005. Members of the Audit Committee are Messrs. Lucien (Chairman), Gottlieb and Heenan. All of the Audit Committee members are independent from the Company and its management, as defined by the listing standards of the American Stock Exchange and by the rules of the Securities and Exchange Commission. The Board of Directors has determined that Mr. Lucien is an audit committee financial expert as defined in the Securities and Exchange Commission regulations.

The Compensation Committee reviews and approves the compensation plans, salary recommendations and other matters relating to compensation of senior management and directors. The members of the Compensation Committee are Messrs. Trotter (Chairman), MacNaughton and Dods. Each of these directors is independent as defined by the listing standards of the American Stock Exchange.

The Nominating and Governance Committee identifies and recommends candidates to fill vacancies on the Board of Directors. The written charter of the Nominating and Governance Committee was filed as an exhibit to the Company's proxy statement dated March 28, 2005. The members of the Committee are Messrs. Heenan (Chairman), Agee and Dods. All of the Committee members are independent as defined by the American Stock Exchange listing standards.

The Nominating and Governance Committee's policy is that it will consider any director candidate recommended by shareholders on the same basis as candidates identified by the Nominating and Governance Committee. Names and resumes of prospective directors should be addressed to Nominating and Governance Committee of Maui Land & Pineapple Company, Inc., c/o Corporate Secretary, 120 Kane Street, P.O. Box 187, Kahului, Hawaii 96733-6687.

The criteria that will be applied in evaluating any candidate considered by the Nominating and Governance Committee, including those recommended by shareholders, include whether or not the candidate:

- is familiar with the Maui and Hawaii communities;
- possesses personal and professional integrity, sound judgment and forthrightness;
- has sufficient time and energy to devote to the Company's affairs;
- is willing to challenge and stimulate management and is able to work as part of a team in an environment of trust;
- has an open-minded approach to, and the resolve to independently analyze, matters presented for consideration;
- will add specific value by virtue of particular technical expertise, experience or skill relevant to the Company's business; and
- understands business and financial affairs and the complexities of a business organization. While a career in business is not essential, a nominee should have a proven record of competence and accomplishment through leadership in industry, non-profit organizations, the professions or government.

The Committee identifies nominees for positions on the Company's Board of Directors by requesting names of potential candidates from the other Board members and from the Company's executive officers. The Committee is authorized by its charter to retain a third party search firm to identify potential nominees to the Board of Directors, but it did not do so in 2006. The Committee reviews resumes of the interested candidates and selects those that pass this initial screening for personal interviews. Each Committee member completes a ranking form that ranks all candidates interviewed and the directors standing for re-election. Based on the scores received by each individual, the nominees are selected for recommendation to the Board of Directors. Mr. Haruki was recommended to the Nominating and Governance Committee for consideration as a director by David C. Cole, Chairman, President and CEO of the Company. In nominating Mr. Trotter for re-election to the Board of Directors at the Annual Meeting as a Class One director, the Nominating and Governance Committee considered the fact that Mr. Trotter has exceeded the age limit for directors specified in our bylaws. After considering Mr. Trotter's contributions to the Board of Directors and the Company, the Nominating and Governance Committee made an exception to the age limitation, as permitted by the bylaws.

Communications with the Board of Directors

Shareholders wishing to submit written communications to the Board should address their communications to Board of Directors of Maui Land & Pineapple Company, Inc. or to the specified individual director, c/o Corporate Secretary, 120 Kane Street, P.O. Box 187, Kahului, Hawaii 96733-6687. All such correspondence will be forwarded to the specified director or in the absence of such specification, to the Chairman of the Board.

Director Compensation

In 2005, all non-employee directors received an annual cash retainer fee of \$30,000. The Company has an executive deferred compensation plan in which all of the executive officers and directors are eligible to participate. Messrs. Agee, Gottlieb, Heenan and Lucien have elected to participate in this plan. Under this plan, these directors can defer up to 100% of the annual cash retainer until termination of their Board membership. Earnings on compensation deferred under this plan are tied to the performance of mutual

funds, which are substantially the same funds as those in the Company's 401(k) plan, and do not earn interest at a fixed rate. See Executive Compensation Executive Deferred Compensation Plan.

Non-employee directors are also granted restricted Common Stock (Restricted Shares) that vest at 250 shares each quarter covering the term of the director's current membership. The Restricted Shares are granted under the Maui Land & Pineapple Company, Inc. 2003 Stock and Incentive Plan, and if approved by the shareholders, will be granted in the future under the 2006 Plan, to the non-employee director at the time he or she is elected, re-elected or appointed to the Board. Any grants of Restricted Shares under the 2006 Plan made to the non-employee directors elected or re-elected to the Board at the Annual Meeting will not be effective until the Company has filed with the SEC an effective registration statement on Form S-8 to register the shares and the Company has received approval from the American Stock Exchange to list the additional shares. The number of shares granted to each non-employee director equals the number of calendar quarters or portions thereof in his term multiplied by 250 shares. The directors have voting and regular dividend rights with respect to the unvested Restricted Shares, but have no right to dispose of the shares. Each unvested Restricted Share is forfeited upon the non-employee director's termination of his position as a member of the Board of Directors of the Company for any reason.

In 2005, Directors Agee and MacNaughton were each granted 3,000 Restricted Shares under the Maui Land & Pineapple Company, Inc. 2003 Stock and Incentive Compensation Plan, upon their election as Class Three directors for the three-year term that ends in 2008. The fair value at the date of grant was the closing price of our Common Stock on May 2, 2005 of \$39.00 per share. Upon his appointment to the Board of Directors on March 13, 2006, Mr. Haruki was granted 2,250 Restricted Shares under the Maui Land & Pineapple Company, Inc. 2003 Stock and Incentive Compensation Plan. The fair value at the date of grant was the closing price of our Common Stock on March 13, 2005 of \$37.42 per share.

The fair value of Restricted Shares held by non-employee directors that vested in 2005 (based on the closing market prices of our Common Stock on the dates of grant and 1,000 shares of stock for each director) and that were unvested at December 31, 2005 (based on \$33.93 per share, the closing market price of our Common Stock on December 31, 2005) was as follows:

	Vested in 2005 (\$)	Unvested at December 31, 2005 (\$)	shares
John H. Agee	37,522	76,343	2,250
Walter A. Dods, Jr.	32,300	8,483	250
Thomas M. Gottlieb	33,090	42,413	1,250
David A. Heenan	33,090	42,413	1,250
Kent T. Lucien	33,090	42,413	1,250
Duncan MacNaughton	37,522	76,343	2,250
Fred E. Trotter III	33,090	8,483	250

ITEM 2

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP, independent registered public accounting firm, has been the independent auditor of the Company for many years, and is considered by management to be well qualified. The Audit Committee of the Board of Directors has appointed Deloitte & Touche LLP as the independent registered public accounting firm of the Company for fiscal year 2006. A representative of Deloitte & Touche LLP is expected to be present at the Annual Meeting and will be given an opportunity to make a statement. The representative also will be available to respond to appropriate questions.

Shareholder ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm is not required by the Company's bylaws or otherwise. However, the Board is submitting the selection of Deloitte & Touche LLP to the shareholders for ratification as a matter of corporate practice. If the shareholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its shareholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2006.

AUDIT MATTERS

Report of the Audit Committee

The Audit Committee of the Board of Directors is responsible for monitoring the integrity of the Company's consolidated financial statements, its system of internal accounting controls and the performance of its internal auditors. The Committee appoints, compensates and retains the independent auditors and monitors their independence and performance.

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for the preparation and correctness of financial statements and the financial reporting process, and has represented to the Audit Committee that such financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and that the Company has maintained effective internal controls over financial reporting. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States of America; and for expressing an opinion on management's assessment of the Company's internal controls over financial reporting; and for expressing an opinion on the effectiveness of the Company's internal controls over financial reporting. The independent registered public accounting firm has delivered unqualified opinions on these matters.

The Committee reviewed and discussed with management and the independent auditors the Company's quarterly and annual audited financial statements, and Forms 10-Q for 2005, and Form 10-K for the year ended December 31, 2005, prior to their filing. The Committee reviewed the Company's written press releases of earnings prior to issuance. The Committee discussed with the Company's internal auditors the overall scope and plans for their audits and the results of such audits. The Committee met with the internal auditors and with the independent registered public accountants, with and without management present, to discuss the results of their examinations. In addition, the Committee has monitored management's initiatives aimed at strengthening the Company's internal and disclosure controls structure. As part of this process the Committee continues to monitor the scope and adequacy of the Company's internal audit program.

The Audit Committee discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, Communications with Audit Committees, as amended by SAS Nos. 89 and 90. In addition, the Committee discussed with the independent auditors the auditors' independence from the Company and its management, including matters in the written disclosures and letter that were received by the Committee from the independent auditors as required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as amended.

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Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the Company's audited financial statements be included in the Form 10-K for the year ended December 31, 2005.

Audit Committee:

Kent T. Lucien (Chairman)
Thomas M. Gottlieb
David A. Heenan

The above Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing, whether under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made on, before or after the date of this Proxy Statement and irrespective of any general incorporation language in such filing, except to the extent the Company specifically incorporates this Report by reference therein.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Fees for services performed for the Company by Deloitte & Touche LLP for 2005 and 2004, including expenses incurred in connection with these services, are as follows:

	2005	2004
Audit	\$ 1,096,000	\$ 295,000