

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name RAYONIER INC.		2 Issuer's employer identification number (EIN) 13-2607329	
3 Name of contact for additional information ED KIKER	4 Telephone No. of contact 904-357-9186	5 Email address of contact INVESTORRELATIONS@RAYONIER.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 225 WATER ST, STE 1400		7 City, town, or post office, state, and Zip code of contact JACKSONVILLE, FL 32202	
8 Date of action SEE BELOW		9 Classification and description COMMON SHARES	
10 CUSIP number 754907103	11 Serial number(s)	12 Ticker symbol RYN	13 Account number(s)

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 ▶ **During calendar year 2014, Rayonier Inc. made cash distributions to its common shareholders on the following dates: March 31, 2014, June 28, 2014, August 15, 2014, September 30, 2014, and December 31, 2014. A portion of each distribution represented a nontaxable return of capital.**

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 quantitative effect of the distributions reported as a return of capital on a per share basis are set forth in the table below:**

Record Date	Payment Date	Total Dividend	Return of Capital
03/17/2014	03/31/2014	\$0.49	\$0.101544
06/16/2014	06/28/2014	\$0.49	\$0.101544
07/31/2014	08/15/2014	\$0.50	\$0.103617
09/16/2014	09/30/2014	\$0.30	\$0.062170
02/17/2014	12/31/2014	\$0.25	\$0.051808

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 ▶ **Rayonier Inc.'s earnings and profits were calculated under IRC section 312, as modified for real estate investment trusts by IRC section 857(d) and the regulations thereunder. Distributions in excess of accumulated earnings and profits reduce each shareholder's tax basis in its shares.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ 301(c)(2)

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2014.

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 ▶ [Handwritten Signature] Date ▶ 1-16-15
Print your name ▶ SCOTT WINER Title ▶ VP, TAXES

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.			