
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

**June 27, 2014
Date of Report (Date of earliest event reported)**

RAYONIER INC.
(Exact name of registrant as specified in its charter)

North Carolina
(State or other Jurisdiction
of Incorporation)

1-6780
(Commission
File Number)

13-2607329
(IRS Employer
Identification No.)

**225 Water Street, Suite 1400
Jacksonville, Florida 32202**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (904) 357-9100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On June 27, 2014, Rayonier Inc. (“Rayonier”) entered into the following agreements with Rayonier Advanced Materials Inc. (“SpinCo”):

- Transition Services Agreement;
- Tax Matters Agreement;
- Employee Matters Agreement; and
- Intellectual Property Agreement.

A summary of certain material features of the agreements can be found in the section entitled “Our Relationship with Rayonier Following the Distribution” in SpinCo’s Information Statement, filed as Exhibit 99.1 to Rayonier’s Current Report on Form 8-K filed on June 18, 2014, and incorporated herein by reference. The summary is qualified in its entirety by reference to the complete terms and conditions of the Transition Services Agreement, Tax Matters Agreement Employee Matters Agreement and Intellectual Property Agreement attached hereto as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively.

Item 2.01 Completion of Acquisition or Disposition of Assets

On June 27, 2014, Rayonier completed the previously announced distribution of 100% of the outstanding common stock of SpinCo to Rayonier’s shareholders (the “Distribution”). SpinCo was formed to hold Rayonier’s performance fibers business and, as a result of the Distribution, is now an independent public company whose common stock is listed and trading under the symbol “RYAM” on the New York Stock Exchange. The Distribution was made to Rayonier’s shareholders of record as of the close of business on June 18, 2014 (the “Record Date”), and such shareholders received one share of SpinCo common stock for every three Rayonier common shares held as of close of business on the Record Date.

On June 30, 2014, Rayonier issued a press release announcing the completion of the Distribution. A copy of the press release is attached hereto as Exhibit 99.1.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers***Resignation and Appointment of Officers***

In connection with the Distribution, each of Paul G. Boynton (Chairman, President and Chief Executive Officer), Michael R. Herman (Senior Vice President, General Counsel and Assistant Corporate Secretary), Jack M. Kriesel (Senior Vice President, Performance Fibers) and Benson K. Woo (Chief Accounting Officer) resigned from their respective positions at Rayonier, effective as of immediately prior to the Distribution. As previously reported on the Current Report on Form 8-K filed by Rayonier on May 12, 2014, David L. Nunes was appointed President and Chief Executive Officer of Rayonier, effective as of the Distribution. From June 9, 2014, until the Distribution, Mr. Nunes served as Rayonier’s Chief Operating Officer.

Resignation and Appointment of Directors

As described in the current Report on Form 8-K filed by Rayonier on May 30, 2014, in connection with the Distribution, Paul G. Boynton, C. David Brown, II, Mark E. Gaumont, James H. Miller, Thomas I. Morgan and Ronald Townsend resigned as directors of Rayonier, effective as of immediately prior to the Distribution, and John A. Blumberg, Dod A. Fraser, Scott R. Jones, Senator Blanche L. Lincoln and David L. Nunes were elected as directors of Rayonier, effective as of immediately after the effectiveness of the resignations. Richard D. Kincaid was appointed Chairman of the Board of Directors of Rayonier (the "Board"), effective as of the Distribution.

New non-employee directors will receive the following compensation for service on the Board through the next Rayonier annual meeting:

- an annual retainer equal to \$55,000 in cash, prorated based on the date on which the new directors' service commenced;
- an award of \$95,000, prorated based on the date on which the new directors' service commenced, in the form of restricted common shares of Rayonier, to vest on the earlier of the first anniversary of the date of grant or the next annual meeting at which one or more members of the Board are standing for re-election, subject to certain conditions. The number of restricted common shares that will be issued will be determined based on the average of the volume weighted average per share price of Rayonier's common shares trading on the New York Stock Exchange during each of the first ten full trading days immediately after the completion of the Distribution;
- meeting fees as follows: (A) \$2,000 per Board meeting attended, (B) \$2,000 per Audit Committee meeting attended, (C) \$1,500 per Committee meeting attended (other than the Audit Committee), (D) \$2,000 for each business trip taken at the request of management to one of the Corporation's facilities for a business purpose other than a Board or Committee meeting, and (E) \$2,000 for any other business trip taken at the request of management; provided, however, that the fee for a director's telephonic participation in a non-telephonic meeting of the Board or any Committee shall be one-half the otherwise applicable fee;
- in addition to any other compensation that may be received for services as a director of Rayonier, Mr. Kincaid will receive an additional \$75,000 retainer in respect of his service as Chairman of the Board, prorated based on the date on which service in such position commenced; and
- in addition to any other compensation that may be received for services as a director of Rayonier, Mr. Fraser will receive an additional \$20,000 retainer in respect of his service as Chairman of the Audit Committee, prorated based on the date on which service in such position commenced.

In connection with the resignations and elections described above, the committees of the Board were reconstituted as of the Distribution as follows:

Committee	Members
Audit Committee	Dod A. Fraser (Chair) John E. Bush Richard D. Kincaid V. Larkin Martin Blanche L. Lincoln Scott R. Jones
Compensation and Management Development Committee	David W. Oskin (Chair) John E. Bush Richard D. Kincaid Dod A. Fraser John A. Blumberg
Nominating and Corporate Governance Committee	V. Larkin Martin (Chair) David W. Oskin Blanche L. Lincoln John A. Blumberg Scott R. Jones

Item 8.01 Other Events

In connection with the Distribution, the Board adopted revised Corporate Governance Principles, effective as of immediately prior to the Effective Time. A copy of Rayonier's Corporate Governance Principles is available under the Investor Relations section of Rayonier's website at www.rayonier.com.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
10.1	Transition Services Agreement, dated as of June 27, 2014, by and between Rayonier Inc. and Rayonier Advanced Materials Inc.
10.2	Tax Matters Agreement, dated as of June 27, 2014, by and among Rayonier Inc., Rayonier Advanced Materials Inc., Rayonier TRS Holdings Inc. and Rayonier A.M. Products Inc.
10.3	Employee Matters Agreement, dated as of June 27, 2014, by and between Rayonier Inc. and Rayonier Advanced Materials Inc.
10.4	Intellectual Property Agreement, dated as of June 27, 2014, by and between Rayonier Inc. and Rayonier Advanced Materials Inc.
99.1	Information Statement of Rayonier Advanced Materials Inc., dated June 18, 2014 (incorporated by reference herein to Exhibit 99.1 to the Current Report on Form 8-K filed by Rayonier Inc. with the SEC on June 18, 2014)
99.2	Press release of Rayonier Inc. dated June 30, 2014

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Rayonier Inc.

Date: June 30, 2014

By: /s/ H. Edwin Kiker

H. Edwin Kiker

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

**Exhibit
No.**

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TRANSITION SERVICES AGREEMENT

BY AND BETWEEN

RAYONIER INC.

AND

RAYONIER ADVANCED MATERIALS INC.

DATED AS OF JUNE 27, 2014

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TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT, dated as of June 27, 2014 (this "Agreement"), is by and between Rayonier Inc., a North Carolina corporation ("Rayonier" or "RYN"), and Rayonier Advanced Materials Inc., a Delaware corporation ("SpinCo" or "RYAM").

R E C I T A L S:

WHEREAS, the board of directors of Rayonier (the "Rayonier Board") has determined that it is in the best interests of Rayonier and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Rayonier Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Rayonier Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Rayonier Shares on the Record Date of all the outstanding SpinCo Shares owned by Rayonier (the "Distribution");

WHEREAS, in order to effectuate the Separation and the Distribution, Rayonier and SpinCo have entered into a Separation and Distribution Agreement, dated as of May 28, 2014 (the "Separation and Distribution Agreement"); and

WHEREAS, in order to facilitate and provide for an orderly transition in connection with the Separation and the Distribution, the Parties desire to enter into this Agreement to set forth the terms and conditions pursuant to which each of the Parties shall provide Services to the other Party for a transitional period.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" has the meaning set forth in the Separation and Distribution Agreement.

"Agreement" has the meaning set forth in the Preamble.

“Ancillary Agreements” has the meaning set forth in the Separation and Distribution Agreement.

“Charge” and “Charges” have the meaning set forth in Section 2.03.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Confidential Information” means all Information that is either confidential or proprietary.

“Dispute” has the meaning set forth in Section 9.16(a).

“Distribution” has the meaning set forth in the Recitals.

“Distribution Date” shall mean the date of the consummation of the Distribution, which shall be determined by the Rayonier Board in its sole and absolute discretion.

“Effective Time” shall mean 11:59 p.m., New York City time, on the Distribution Date.

“Force Majeure” shall mean, with respect to a Party, an event beyond the control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party’s response thereto, shall not be deemed an event of Force Majeure.

“Governmental Authority” shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

“Information” shall mean information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

“Intellectual Property Agreement” shall mean the Intellectual Property Agreement to be entered into by and between Rayonier and SpinCo or their respective Subsidiaries in connection with the Separation, the Distribution or the other transactions contemplated by the Separation and Distribution Agreement.

“Interest Payment” has the meaning set forth in Section 4.02.

“Law” shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Level of Service” has the meaning set forth in Section 2.02(c).

“Liabilities” shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Losses” shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

“Minimum Service Period” means the period commencing on the Distribution Date and ending thirty (30) days after the Distribution Date.

“Parties” means the parties to this Agreement.

“Person” shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“Provider” means, with respect to any Service, the Party identified on Schedule 1 hereto as the “Provider” of such Service.

“Provider Indemnitees” has the meaning set forth in Section 7.03.

“Rayonier” has the meaning set forth in the Preamble.

“Rayonier Board” has the meaning set forth in the Recitals.

“Rayonier Business” has the meaning set forth in the Separation and Distribution Agreement.

“Rayonier Shares” shall mean the common shares, no par value, of Rayonier.

“Recipient” means, with respect to any Service, the Party receiving such Service hereunder.

“Recipient Indemnitees” has the meaning set forth in Section 7.04.

“Record Date” shall mean the close of business on the date to be determined by the Rayonier Board as the record date for determining holders of Rayonier Shares entitled to receive SpinCo Shares pursuant to the Distribution.

“Representatives” shall mean, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

“RYAM” has the meaning set forth in the Preamble.

“RYN” has the meaning set forth in the Preamble.

“Separation” has the meaning set forth in the Recitals.

“Separation and Distribution Agreement” has the meaning set forth in the Recitals.

“Service Baseline Period” has the meaning set forth in Section 2.02(c).

“Service Period” means, with respect to any Service, the period commencing on the Distribution Date and ending on the earlier of (a) the date that a Party terminates the provision of such Service pursuant to Section 5.02 and (b) the date that is the eighteenth month anniversary of the Distribution Date.

“Services” has the meaning set forth in Section 2.01.

“SpinCo” has the meaning set forth in the Preamble.

“SpinCo Business” has the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Shares” shall mean the shares of common stock, par value \$0.01 per share, of SpinCo.

“Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all

classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Tax” has the meaning set forth in the Tax Matters Agreement.

“Tax Matters Agreement” shall mean the Tax Matters Agreement to be entered into by and between Rayonier and SpinCo or their respective Subsidiaries in connection with the Separation, the Distribution or the other transactions contemplated by the Separation and Distribution Agreement.

“Taxing Authority” has the meaning set forth in the Tax Matters Agreement.

“Termination Charges” shall mean, with respect to the termination of any Service pursuant to Section 5.02(a)(i), the sum of (a) any and all costs, fees and expenses (other than any severance or retention costs) payable by the Provider of such Service to a Third Party principally because of the early termination of such Service; provided, however, that the Provider shall use commercially reasonable efforts to minimize any costs, fees or expenses payable to any Third Party in connection with such early termination of such Service and credit any such reductions against the Termination Charges payable by the Recipient; and (b) any additional severance and retention costs, if any, because of the early termination of such Service that the Provider of such terminated Service incurs to employees who had been retained primarily to provide such terminated Service (it being agreed that the costs set forth in this clause (b) shall only be the amount, if any, in excess of the severance and retention costs that such Provider would have paid to such employees if the Service had been provided for the full period during which such Service would have been provided hereunder but for such early termination).

“Third Party” shall mean any Person other than the Parties or any of their Affiliates.

“Third-Party Claim” shall mean any Action commenced by any Third Party against any Party or any of its Affiliates.

“Transition Committee” has the meaning set forth in the Separation and Distribution Agreement.

ARTICLE II SERVICES

Section 2.01. Services. Commencing as of the Effective Time, the Provider agrees to provide, or to cause one or more of its Subsidiaries to provide, to the Recipient, or any Subsidiary of the Recipient, the applicable services (the “Services”) set forth on Schedule 1 hereto.

Section 2.02. Performance of Services.

(a) The Provider shall perform, or shall cause one or more of its Subsidiaries to perform, all Services to be provided by the Provider in a manner that is based on its past practice and that is substantially similar in all material respects to the analogous services provided by or on behalf of Rayonier or any of its Subsidiaries to Rayonier or its applicable functional group or Subsidiary prior to the Effective Time.

(b) Nothing in this Agreement shall require the Provider to perform or cause to be performed any Service to the extent that the manner of such performance would constitute a violation of any applicable Law or any existing contract or agreement with a Third Party. If the Provider is or becomes aware of any potential violation on the part of the Provider, the Provider shall use commercially reasonable efforts to promptly advise the Recipient of such potential violation, and the Provider and the Recipient will mutually seek an alternative that addresses such potential violation. The Parties agree to cooperate in good faith and use commercially reasonable efforts to obtain any necessary Third Party consents required under any existing contract or agreement with a Third Party to allow the Provider to perform, or cause to be performed, all Services to be provided by the Provider hereunder in accordance with the standards set forth in this Section 2.02. Unless otherwise agreed in writing by the Parties, all reasonable out-of-pocket costs and expenses (if any) incurred by any Party or any of its Subsidiaries in connection with obtaining any such Third Party consent that is required to allow the Provider to perform or cause to be performed such Services shall be divided proportionately between the Provider and the Recipient in accordance with such Parties' respective utilization of such Services at such time. If, with respect to a Service, the Parties, despite the use of such commercially reasonable efforts, are unable to obtain a required Third Party consent, or the performance of such Service by the Provider would constitute a violation of any applicable Law, the Provider shall have no obligation whatsoever to perform or cause to be performed such Service.

(c) The Provider shall not be obligated to perform or to cause to be performed any Service in a manner that is materially more burdensome (with respect to service quality or quantity) than analogous services provided to Rayonier or its applicable functional group or Subsidiary (collectively referred to as the "Level of Service") during calendar year 2013 (the "Service Baseline Period"). If the Recipient requests that the Provider perform or cause to be performed any Service that exceeds the Level of Service during the Service Baseline Period, then the Parties shall cooperate and act in good faith to determine whether the Provider will be required to provide such requested higher Level of Service. If the Parties determine that the Provider shall provide the requested higher Level of Service, then such higher Level of Service shall be documented in a written agreement signed by the Parties. Each amended section of Schedule 1 hereto, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such written agreement and the Level of Service increases set forth in such written agreement shall be deemed a part of the "Services" provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

(d) (i) Neither the Provider nor any of its Subsidiaries shall be required to perform or to cause to be performed any of the Services for the benefit of any Third Party or any other Person other than the Recipient and its Subsidiaries, and (ii) EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 2.02 OR SECTION 7.04, EACH PARTY ACKNOWLEDGES AND AGREES THAT ALL SERVICES ARE PROVIDED ON AN "AS-IS" BASIS, THAT

THE RECIPIENT ASSUMES ALL RISK AND LIABILITY ARISING FROM OR RELATING TO ITS USE OF AND RELIANCE UPON THE SERVICES, AND THAT THE PROVIDER MAKES NO OTHER REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, WITH RESPECT TO THE SERVICES. EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

(e) Each Party shall be responsible for its own compliance with any and all Laws applicable to its performance under this Agreement. No Party shall knowingly take any action in violation of any such applicable Law that results in Liability being imposed on the other Party.

Section 2.03. Charges for Services. The Recipient shall pay the Provider of the Services a fee (either one-time or recurring) for such Services (or category of Services, as applicable) (each fee constituting a “Charge” and, collectively, “Charges”), which Charges shall be based upon the cost of providing such Services and shall be agreed to by the Parties from time to time. During the term of this Agreement, the amount of a Charge for any Service may be modified to the extent of (a) any adjustments mutually agreed to by the Parties, (b) any adjustments due to a change in Level of Service requested by the Recipient and agreed upon by the Provider, and (c) any adjustment in the rates or charges imposed by any Third Party provider that is providing Services (proportional to the respective use of such Services by each Party). Together with any invoice for Charges, the Provider shall provide the Recipient with reasonable documentation, including any additional documentation reasonably requested by the Recipient to the extent that such documentation is in the Provider’s or its Subsidiaries’ possession or control, to support the calculation of such Charges.

Section 2.04. Reimbursement for Out-of-Pocket Costs and Expenses. The Recipient shall reimburse the Provider for reasonable out-of-pocket costs and expenses incurred by the Provider or any of its Subsidiaries in connection with providing the Services (including reasonable travel-related expenses) to the extent that such costs and expenses are not reflected in the Charges for such Services; provided, however, that any such cost or expense in excess of five hundred dollars (\$500.00), in the aggregate, that is not consistent with historical practice between the Parties for any Service (including business travel and related expenses) shall require advance written approval of the Recipient. Any authorized travel-related expenses incurred in performing the Services shall be incurred and charged to the Recipient in accordance with the Provider’s then-applicable business travel policies.

Section 2.05. Changes in the Performance of Services. Subject to the performance standards for Services set forth in Sections 2.02(a), 2.02(b) and 2.02(c), the Provider may make changes from time to time in the manner of performing the Services if the Provider is making similar changes in performing analogous services for itself and if the Provider furnishes to the Recipient reasonable prior written notice (in content and timing) of such changes. No such change shall materially adversely affect the timeliness or quality of, or the Charges for, the applicable Service. If any such change by the Provider reasonably requires the Recipient to incur an increase in costs and expenses of at least five percent (5%), in the aggregate, in order to continue to receive and utilize the

applicable Services in the same manner as the Recipient was receiving and utilizing such Service prior to such change, the Provider shall be required to reimburse the Recipient for all such reasonable increase in costs and expenses. Upon request, the Recipient shall provide the Provider with reasonable documentation, including any additional documentation reasonably requested by the Provider to the extent such documentation is in the Recipient's or its Subsidiaries' possession or control, to support the calculation of such increase in costs and expenses.

Section 2.06. Transitional Nature of Services. The Parties acknowledge the transitional nature of the Services and agree to cooperate in good faith and to use commercially reasonable efforts to effectuate a smooth transition of the Services from the Provider to the Recipient (or its designee).

Section 2.07. Subcontracting. A Provider may hire or engage one or more Third Parties to perform any or all of its obligations under this Agreement; provided, however, that (a) such Provider shall use the same degree of care (but at least reasonable care) in selecting each of such Third Party as it would if such Third Party was being retained to provide similar services to the Provider and (b) such Provider shall in all cases remain primarily responsible for all of its obligations under this Agreement with respect to the scope of the Services, the performance standard for Services set forth in Sections 2.02(a), 2.02(b) and 2.02(c) and the content of the Services provided to the Recipient. Subject to the confidentiality provisions set forth in Article VI, each Party shall, and shall cause their respective Affiliates to, provide, upon ten (10) Business Days' prior written notice from the other Party, any Information within such Party's or its Affiliates' possession that the requesting Party reasonably requests in connection with any Services being provided to such requesting Party by a Third Party, including any applicable invoices, agreements documenting the arrangements between such Third Party and the Provider and other supporting documentation; provided, further, however, that each Party shall make no more than one such request during any calendar quarter.

ARTICLE III OTHER ARRANGEMENTS

Section 3.01. Access.

(a) SpinCo shall, and shall cause its Subsidiaries to, allow Rayonier and its Subsidiaries and their respective Representatives reasonable access to the facilities of SpinCo and its Subsidiaries that is necessary for Rayonier and its Subsidiaries to fulfill their obligations under this Agreement. In addition to the foregoing right of access, SpinCo shall, and shall cause its Subsidiaries to, afford Rayonier, its Subsidiaries and their respective Representatives, upon reasonable advance written notice, reasonable access during normal business hours to the facilities, Information, systems, infrastructure and personnel of SpinCo and its Subsidiaries as reasonably necessary for Rayonier to verify the adequacy of internal controls over information technology, reporting of financial data and related processes employed in connection with the Services being provided by SpinCo or its Subsidiaries, including in connection with verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided that (i) such access

shall not unreasonably interfere with any of the business or operations of SpinCo or any of its Subsidiaries and (ii) in the event that SpinCo determines that providing such access could be commercially detrimental, violate any applicable Law or agreement or waive any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit such access in a manner that avoids each of such harm and consequence. Rayonier agrees that all of its and its Subsidiaries' employees shall, and that it shall use commercially reasonable efforts to cause its Representatives' employees to, when on the property of SpinCo or its Subsidiaries, or when given access to any facilities, Information, systems, infrastructure or personnel of SpinCo or its Subsidiaries, conform to the policies and procedures of SpinCo and its Subsidiaries, as applicable, concerning health, safety, conduct and security which are made known or provided to Rayonier from time to time.

(b) Rayonier shall, and shall cause its Subsidiaries to, allow SpinCo and its Subsidiaries and their respective Representatives reasonable access to the facilities of Rayonier and its Subsidiaries that is necessary for SpinCo and its Subsidiaries to fulfill their obligations under this Agreement. In addition to the foregoing right of access, Rayonier shall, and shall cause its Subsidiaries to, afford SpinCo, its Subsidiaries and their respective Representatives, upon reasonable advance written notice, reasonable access during normal business hours to the facilities, Information, systems, infrastructure and personnel of Rayonier and its Subsidiaries as reasonably necessary for SpinCo to verify the adequacy of internal controls over information technology, reporting of financial data and related processes employed in connection with the Services being provided by Rayonier or its Subsidiaries, including in connection with verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided that (i) such access shall not unreasonably interfere with any of the business or operations of Rayonier or any of its Subsidiaries and (ii) in the event that Rayonier determines that providing such access could be commercially detrimental, violate any applicable Law or agreement or waive any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit such access in a manner that avoids each of such harm and consequence. SpinCo agrees that all of its and its Subsidiaries' employees shall, and that it shall use commercially reasonable efforts to cause its Representatives' employees to, when on the property of Rayonier or its Subsidiaries, or when given access to any facilities, Information, systems, infrastructure or personnel of Rayonier or its Subsidiaries, conform to the policies and procedures of Rayonier and its Subsidiaries, as applicable, concerning health, safety, conduct and security which are made known or provided to SpinCo from time to time.

ARTICLE IV BILLING; TAXES

Section 4.01. Procedure. Charges for the Services shall be charged to and payable by the Recipient. Amounts payable pursuant to this Agreement shall be paid by wire transfer (or such other method of payment as may be agreed between the Parties from time to time) to the Provider (as directed by the Provider), on a monthly basis in the case of recurring fees, which amounts shall be due within fifteen (15) days of the Recipient's receipt of each such invoice, including reasonable documentation pursuant to Section 2.03. All amounts due and payable hereunder shall be invoiced and paid in U.S. dollars.

Section 4.02. Late Payments. Charges not paid when due pursuant to this Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within fifteen (15) days of the receipt of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus two percent (2%) or the maximum rate under applicable Law, whichever is lower (the "Interest Payment").

Section 4.03. Taxes. Without limiting any provisions of this Agreement, the Recipient shall bear any and all Taxes and other similar charges (and any related interest and penalties) imposed on, or payable with respect to, any fees or charges, including any Charges, payable by it pursuant to this Agreement, including all sales, use, value-added, and similar Taxes, but excluding Taxes based on the Provider's net income and any excise taxes imposed under Section 4981 of the Code. Notwithstanding anything to the contrary in the previous sentence or elsewhere in this Agreement, the Recipient shall be entitled to withhold from any payments to the Provider any such Taxes that the Recipient is required by applicable Law to withhold and shall pay such Taxes to the applicable Taxing Authority.

Section 4.04. No Set-Off. Except as mutually agreed to in writing by Rayonier and SpinCo, no Party or any of its Affiliates shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or (b) any other amounts claimed to be owed to the other Party or any of its Subsidiaries arising out of this Agreement.

ARTICLE V TERM AND TERMINATION

Section 5.01. Term. This Agreement shall commence at the Effective Time and shall terminate upon the earlier to occur of (a) the last date on which either Party is obligated to provide any Service to the other Party in accordance with the terms of this Agreement; (b) the mutual written agreement of the Parties to terminate this Agreement in its entirety; and (c) the date that is the eighteenth (18th) month anniversary of the Distribution Date. Unless otherwise terminated pursuant to Section 5.02, this Agreement shall terminate with respect to each Service as of the close of business on the last day of the Service Period for such Service. To the extent that the Provider's ability to provide a Service is dependent on the continuation of a specified Service, the Provider's obligation to provide such dependent Service shall terminate automatically with the termination of such supporting Service.

Section 5.02. Early Termination.

(a) Without prejudice to the Recipient's rights with respect to Force Majeure, the Recipient may from time to time terminate this Agreement with respect to the entirety of any individual Service but not a portion thereof:

(i) subsequent to the end of the Minimum Service Period, for any reason or no reason, upon the giving of at least ten (10) days' prior written notice to the Provider of such Service (it being agreed that such notice may not be delivered prior to the end of the Minimum Service Period); provided, however, that any such termination (x) may only be effective as of the last day of a month and (y) shall be subject to the obligation to pay any applicable Termination Charges pursuant to Section 5.04; or

(ii) if the Provider of such Service has failed to perform any of its material obligations under this Agreement with respect to such Service, and such failure shall continue to be uncured for a period of at least thirty (30) days after receipt by the Provider of written notice of such failure from the Recipient; provided, however, that any such termination may only be effective as of the last day of a month; and provided, further, that the Recipient shall not be entitled to terminate this Agreement with respect to the applicable Service if, as of the end of such period, there remains a good-faith Dispute between the Parties (undertaken in accordance with the terms of Section 9.16) as to whether the Provider has cured the applicable breach.

(b) The Provider may terminate this Agreement with respect to any individual Service, but not a portion thereof, at any time upon prior written notice to the Recipient if the Recipient has failed to perform any of its material obligations under this Agreement relating to such Service, including making payment of Charges for such Service when due, and such failure shall continue to be uncured for a period of at least thirty (30) days after receipt by the Recipient of a written notice of such failure from the Provider; provided, however, that any such termination may only be effective as of the last day of a month; and provided, further, that the Provider shall not be entitled to terminate this Agreement with respect to the applicable Service if, as of the end of such period, there remains a good-faith Dispute between the Parties (undertaken in accordance with the terms of Section 9.16) as to whether the Recipient has cured the applicable breach. Schedule 1 hereto shall be updated to reflect any terminated Service.

Section 5.03. Interdependencies. The Parties acknowledge and agree that (a) there may be interdependencies among the Services being provided under this Agreement; (b) upon the request of either Party, the Parties shall cooperate and act in good faith to determine whether (i) any such interdependencies exist with respect to the particular Service that a Party is seeking to terminate pursuant to Section 5.02 and (ii) in the case of such termination, the Provider's ability to provide a particular Service in accordance with this Agreement would be materially and adversely affected by such termination of another Service; and (c) in the event that the Parties have determined that such interdependencies exist (and, in the case of such termination that the Provider's ability to provide a particular Service in accordance with this Agreement would be materially and adversely affected by such termination), the Parties shall negotiate in good faith to amend Schedule 1 hereto with respect to such termination of such impacted Service, which amendment shall be consistent with the terms of comparable Services.

Section 5.04. Effect of Termination. Upon the termination of any Service pursuant to this Agreement, the Provider of the terminated Service shall have no further obligation to provide the terminated Service, and the Recipient of such Service shall have no obligation to pay any future Charges relating to such Service; provided, however, that the Recipient shall remain obligated to the Provider for (a) the Charges owed and payable in respect of Services provided prior to the effective date of termination for such Service, and (b) any applicable Termination Charges (which, in the case of each of clauses (a) and (b), shall be payable only in the event that the Recipient terminates any Service pursuant to Section 5.02(a)(i)). In connection with the termination of any Service, the provisions of this Agreement not relating solely to such terminated Service shall survive any such termination, and in connection with a termination of this Agreement, Article I, this Article V, Article VII and Article IX, all confidentiality obligations under this Agreement and Liability for all due and unpaid Charges, and Termination Charges shall continue to survive indefinitely.

Section 5.05. Information Transmission. The Provider, on behalf of itself and its respective Subsidiaries, shall use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the Recipient, in accordance with Section 6.1 of the Separation and Distribution Agreement, any Information received or computed by the Provider for the benefit of the Recipient concerning the relevant Service during the Service Period; provided, however, that, except as otherwise agreed to in writing by the Parties (a) the Provider shall not have any obligation to provide, or cause to be provided, Information in any non-standard format, (b) the Provider and its Subsidiaries shall be reimbursed for their reasonable costs in accordance with Section 6.3 of the Separation and Distribution Agreement for creating, gathering, copying, transporting and otherwise providing such Information, and (c) the Provider shall use commercially reasonable efforts to maintain any such Information in accordance with Section 6.4 of the Separation and Distribution Agreement.

ARTICLE VI
CONFIDENTIALITY; PROTECTIVE ARRANGEMENTS

Section 6.01. Rayonier and SpinCo Obligations. Subject to Section 6.04, until the five (5)-year anniversary of the date of the termination of this Agreement in its entirety, each of Rayonier and SpinCo, on behalf of itself and each of its Subsidiaries, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Rayonier's Confidential Information pursuant to policies in effect as of the Effective Time, all Confidential Information concerning the other Party or its Subsidiaries or their respective businesses that is either in its possession (including Confidential Information in its possession prior to the date hereof) or furnished by such other Party or such other Party's Subsidiaries or their respective Representatives at any time pursuant to this Agreement, and shall not use any such Confidential Information other than for such purposes as may be expressly permitted hereunder, except, in each case, to the extent that such Confidential Information has been (a) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any of its Subsidiaries or any of their respective Representatives in violation of this Agreement; (b) later lawfully acquired from other sources by such Party or any of its Subsidiaries, which sources are not themselves bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information; or (c) independently developed or generated without reference to or use of the Confidential Information of the other Party or any of its Subsidiaries. If any Confidential Information of a Party or any of its Subsidiaries is disclosed to the other Party or any of its Subsidiaries in connection with providing the Services, then such disclosed Confidential Information shall be used only as required to perform such Services.

Section 6.02. No Release; Return or Destruction. Each Party agrees (a) not to release or disclose, or permit to be released or disclosed, any Confidential Information of the other Party addressed in Section 6.01 to any other Person, except its Representatives who need to know such Confidential Information in their capacities as such (whom shall be advised of their obligations hereunder with respect to such Confidential Information) and except in compliance with Section 6.04, and (b) to use commercially reasonable efforts to maintain such Confidential Information in accordance with Section 6.4 of the Separation and Distribution Agreement. Without limiting the foregoing, when any such Confidential Information is no longer needed for the purposes contemplated by the Separation and Distribution Agreement, this Agreement or any

other Ancillary Agreements, each Party will promptly after request of the other Party either return to the other Party all such Confidential Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon).

Section 6.03. Privacy and Data Protection Laws. Each Party shall comply with all applicable state, federal and foreign privacy and data protection Laws that are or that may in the future be applicable to the provision of the Services under this Agreement.

Section 6.04. Protective Arrangements. In the event that a Party or any of its Subsidiaries either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any of its Subsidiaries) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

ARTICLE VII LIMITED LIABILITY AND INDEMNIFICATION

Section 7.01. Limitations on Liability.

(a) SUBJECT TO SECTION 7.02, THE LIABILITIES OF THE PROVIDER AND ITS SUBSIDIARIES AND THEIR RESPECTIVE REPRESENTATIVES, COLLECTIVELY, UNDER THIS AGREEMENT FOR ANY ACT OR FAILURE TO ACT IN CONNECTION HEREWITH (INCLUDING THE PERFORMANCE OR BREACH OF THIS AGREEMENT), OR FROM THE SALE, DELIVERY, PROVISION OR USE OF ANY SERVICES PROVIDED UNDER OR CONTEMPLATED BY THIS AGREEMENT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, SHALL NOT EXCEED (X) IF THE SERVICES WERE PERFORMED BY SUCH PROVIDER FOR ONE YEAR OR LESS, THE AGGREGATE CHARGES PAID AND PAYABLE TO SUCH PROVIDER BY THE RECIPIENT PURSUANT TO THIS AGREEMENT OR (Y) IF THE SERVICES WERE PERFORMED BY SUCH PROVIDER FOR MORE THAN ONE YEAR, THE AGGREGATE CHARGES PAID AND PAYABLE TO SUCH PROVIDER BY THE RECIPIENT PURSUANT TO THIS

AGREEMENT DURING THE TWELVE (12)-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH LIABILITIES.

(b) IN NO EVENT SHALL EITHER PARTY, ITS SUBSIDIARIES OR THEIR RESPECTIVE REPRESENTATIVES BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT (OTHER THAN ANY SUCH LIABILITY WITH RESPECT TO A THIRD-PARTY CLAIM), AND EACH PARTY HEREBY WAIVES ON BEHALF OF ITSELF, ITS SUBSIDIARIES AND ITS REPRESENTATIVES ANY CLAIM FOR SUCH DAMAGES, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.

(c) The limitations in Section 7.01(a) and Section 7.01(b) shall not apply in respect of any Liability arising out of or in connection with (i) either Party's Liability for breaches of confidentiality under Article VI, (ii) either Party's obligations under Section 7.03 or 7.04, or (iii) the gross negligence, willful misconduct, or fraud of or by the Party to be charged.

Section 7.02. Obligation to Re-Perform; Liabilities. In the event of any breach of this Agreement by the Provider with respect to the provision of any Services (with respect to which the Provider can reasonably be expected to re-perform in a commercially reasonable manner), the Provider shall (a) promptly correct in all material respects such error, defect or breach or re-perform in all material respects such Services at the request of the Recipient and at the sole cost and expense of the Provider and (b) subject to the limitations set forth in Section 7.01, reimburse the Recipient and its Subsidiaries and Representatives for Liabilities attributable to such breach by the Provider. The remedy set forth in this Section 7.02 shall be the sole and exclusive remedy of the Recipient for any such breach of this Agreement; provided, however, that the foregoing shall not prohibit the Recipient from exercising its right to terminate this Agreement in accordance with the provisions of Section 5.02(a)(ii). Any request for re-performance in accordance with this Section 7.02 by the Recipient must be in writing and specify in reasonable detail the particular error, defect or breach, and such request must be made no more than one month from the later of (x) the date on which such breach occurred and (y) the date on which such breach was reasonably discovered by the Recipient.

Section 7.03. Third-Party Claims. In addition to (but not in duplication of) its other indemnification obligations (if any) under the Separation and Distribution Agreement, this Agreement or any other Ancillary Agreement, the Recipient shall indemnify, defend and hold harmless the Provider, its Subsidiaries and each of their respective Representatives, and each of the successors and assigns of any of the foregoing (collectively, the "Provider Indemnitees"), from and against any and all claims of Third Parties relating to, arising out of or resulting from the Provider's furnishing or failing to furnish the Services provided for in this Agreement, other than (a) Third Party Claims arising out of the gross negligence, willful misconduct or fraud of any Provider Indemnitee and (b) as set forth in Section 2.02(b).

Section 7.04. Provider Indemnity. In addition to (but not in duplication of) its other indemnification obligations (if any) under the Separation and Distribution Agreement, this Agreement or any other Ancillary Agreement, the Provider shall indemnify, defend and hold

harmless the Recipient, its Subsidiaries and each of their respective Representatives, and each of the successors and assigns of any of the foregoing (collectively, the “Recipient Indemnitees”), from and against any and all Liabilities relating to, arising out of or resulting from the sale, delivery, provision or use of any Services provided by such Provider hereunder, but only to the extent that such Liability relates to, arises out of or results from the Provider’s gross negligence, willful misconduct or fraud.

Section 7.05. Indemnification Procedures. The procedures for indemnification set forth in Sections 4.5, 4.6 and 4.7 of the Separation and Distribution Agreement shall govern claims for indemnification under this Agreement.

ARTICLE VIII TRANSITION COMMITTEE

Section 8.01. Establishment. Pursuant to the Separation and Distribution Agreement, a Transition Committee is to be established by Rayonier and SpinCo to, among other things, monitor and manage matters arising out of or resulting from this Agreement. Without limiting the generality of the foregoing, each Party shall cause each member of the Transition Committee who is an employee, agent or other Representative of such Party to work in good faith to resolve any Dispute arising out of or relating in any way to this Agreement.

ARTICLE IX MISCELLANEOUS

Section 9.01. Mutual Cooperation. Each Party shall, and shall cause its Subsidiaries to, cooperate with the other Party and its Subsidiaries in connection with the performance of the Services hereunder; provided, however, that such cooperation shall not unreasonably disrupt the normal operations of such Party or its Subsidiaries; and, provided, further, that this Section 9.01 shall not require such Party to incur any out-of-pocket costs or expenses unless and except as expressly provided in this Agreement or otherwise agreed to in writing by the Parties.

Section 9.02. Further Assurances. Each Party shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

Section 9.03. Audit Assistance. Each of the Parties and their respective Subsidiaries are or may be subject to regulation and audit by a Governmental Authority (including a Taxing Authority), standards organizations, customers or other parties to contracts with such Parties or their respective Subsidiaries under applicable Law, standards or contract provisions. If a Governmental Authority, standards organization, customer or other party to a contract with a Party or its Subsidiary exercises its right to examine or audit such Party’s or its Subsidiary’s books, records, documents or accounting practices and procedures pursuant to such applicable Law, standards or contract provisions, and such examination or audit relates to the Services, then the other Party shall provide, at the sole cost and expense of the requesting Party, all assistance reasonably requested by the Party that is subject to the examination or audit in responding to such examination or audits or requests for Information, to the extent that such assistance or

Information is within the reasonable control of the cooperating Party and is related to the Services.

Section 9.04. Title to Intellectual Property. Except as expressly provided for under the terms of this Agreement, the Separation and Distribution Agreement or the Intellectual Property Agreement, the Recipient acknowledges that it shall acquire no right, title or interest (including any license rights or rights of use) in any intellectual property which is owned or licensed by the Provider, by reason of the provision of the Services hereunder. The Recipient shall not remove or alter any copyright, trademark, confidentiality or other proprietary notices that appear on any intellectual property owned or licensed by the Provider, and the Recipient shall reproduce any such notices on any and all copies thereof. The Recipient shall not attempt to decompile, translate, reverse engineer or make excessive copies of any intellectual property owned or licensed by the Provider, and the Recipient shall promptly notify the Provider of any such attempt, regardless of whether by the Recipient or any Third Party, of which the Recipient becomes aware.

Section 9.05. Independent Contractors. The Parties each acknowledge and agree that they are separate entities, each of which has entered into this Agreement for independent business reasons. The relationships of the Parties hereunder are those of independent contractors and nothing contained herein shall be deemed to create a joint venture, partnership or any other relationship between the Parties. Employees performing services hereunder do so on behalf of, under the direction of, and as employees of, the Provider, and the Recipient shall have no right, power or authority to direct such employees.

Section 9.06. Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Separation and Distribution Agreement and the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

(c) Rayonier represents on behalf of itself and, to the extent applicable, each of its Subsidiaries, and SpinCo represents on behalf of itself and, to the extent applicable, each of its Subsidiaries, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

(d) Each Party acknowledges and agrees that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

Section 9.07. Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 9.08. Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, no such consent shall be required for the assignment of a Party's rights and obligations under the Separation and Distribution Agreement, this Agreement and the other Ancillary Agreements in whole (i.e., the assignment of a Party's rights and obligations under the Separation and Distribution Agreement, this Agreement and all the other Ancillary Agreements all at the same time) in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any of its Subsidiaries from being party to or undertaking a change of control.

Section 9.09. Third-Party Beneficiaries. Except as provided in Article VII with respect to the Provider Indemnitees in their capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any other Person except

the Parties any rights or remedies hereunder; and (b) there are no other third-party beneficiaries of this Agreement and this Agreement shall not provide any other Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 9.10. Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.10):

If to Rayonier, to:

Rayonier Inc.
225 Water Street, Suite 1400
Jacksonville, FL 32202
Attention: General Counsel

and

Rayonier Inc.
225 Water Street, Suite 1400
Jacksonville, FL 32202
Attention: Chief Financial Officer

If to SpinCo, to:

Rayonier Advanced Materials Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: General Counsel

and

Rayonier Advanced Materials Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: Chief Financial Officer

Any Party may, by notice to the other Party, change the address to which such notices are to be given.

Section 9.11. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid

or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 9.12. Force Majeure. No Party shall be deemed in default of this Agreement for any delay or failure to fulfill any obligation hereunder (other than the obligation to pay money) so long as and to the extent to which any delay or failure in the fulfillment of such obligations is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance (other than the obligation to pay money) shall be extended for a period equal to the time lost by reason of the delay unless this Agreement has previously been terminated under Article V or under this Section 9.12. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such Force Majeure, (a) provide written notice to the other Party of the nature and extent of such Force Majeure; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as reasonably practicable (and in no event later than the date that the affected Party resumes providing analogous services to, or otherwise resumes analogous performance under any other agreement for, itself, its Affiliates or any Third Party) unless this Agreement has previously been terminated under Article V or this Section 9.12. The Recipient shall be (i) relieved of the obligation to pay Charges for the affected Service(s) throughout the duration of such Force Majeure and (ii) entitled to permanently terminate such Service(s) if the delay or failure in providing such Services because of a Force Majeure shall continue to exist for more than thirty (30) consecutive days (it being understood that the Recipient shall not be required to provide any advance notice of such termination to the Provider).

Section 9.13. Headings. The Article, Section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.14. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants, representations and warranties and other agreements contained in this Agreement, and Liability for the breach of any obligations contained herein, shall survive the Effective Time and shall remain in full force and effect thereafter.

Section 9.15. Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 9.16. Dispute Resolution.

(a) In the event of any controversy, dispute or claim (a "Dispute") (i) arising out of or relating to any Party's rights or obligations under this Agreement (whether arising in contract, tort or otherwise), calculation or allocation of the costs of any Service or otherwise

arising out of or relating in any way to this Agreement (including the interpretation or validity of this Agreement) and (ii) that is not resolved by the Transition Committee after a reasonable period of time, such Dispute shall be resolved in accordance with the dispute resolution process referred to in Article VII of the Separation and Distribution Agreement.

(b) In any Dispute regarding the amount of a Charge or a Termination Charge, if such Dispute is finally resolved by the Transition Committee or pursuant to the dispute resolution process set forth or referred to in Section 9.16(a) and it is determined that the Charge or the Termination Charge, as applicable, that the Provider has invoiced the Recipient, and that the Recipient has paid to the Provider, is greater or less than the amount that the Charge or the Termination Charge, as applicable, should have been, then (i) if it is determined that the Recipient has overpaid the Charge or the Termination Charge, as applicable, the Provider shall within five (5) business days after such determination reimburse the Recipient an amount of cash equal to such overpayment, plus the Interest Payment, accruing from the date of payment by the Recipient to the time of reimbursement by the Provider; and (ii) if it is determined that the Recipient has underpaid the Charge or the Termination Charge, as applicable, the Recipient shall within five (5) business days after such determination reimburse the Provider an amount of cash equal to such underpayment, plus the Interest Payment, accruing from the date such payment originally should have been made by the Recipient to the time of payment by the Recipient.

Section 9.17. Specific Performance. Subject to Section 9.16, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its rights or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any Action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are hereby waived by each of the Parties. Unless otherwise agreed in writing, the Parties shall continue to provide Services and honor all other commitments under this Agreement during the course of dispute resolution pursuant to the provisions of Section 9.16 and this Section 9.17 with respect to all matters not subject to such Dispute; provided, however, that this obligation shall only exist during the term of this Agreement.

Section 9.18. Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

Section 9.19. Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Annexes and Exhibits hereto) and not to any particular

provision of this Agreement; (c) Article, Section, Exhibit, Annex and Schedule references are to the Articles, Sections, Exhibits, Annexes and Schedules to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) unless otherwise specified in a particular case, the word “days” refers to calendar days; (h) references to “business day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Jacksonville, Florida; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (j) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to June 27, 2014.

Section 9.20. Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable to this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

RAYONIER INC.

By: /s/ H. Edwin Kiker

Name: H. Edwin Kiker

Title: Senior Vice President and
Chief Financial Officer

RAYONIER ADVANCED MATERIALS INC.

By: /s/ Paul G. Boynton

Name: Paul G. Boynton

Title: President and Chief Executive
Officer

[Signature Page to Transition Services Agreement]

Schedule 1

Transition Services¹

1 - IT

<u>Services</u>	<u>Provider (RYN or RYAM)</u>	<u>Description of Services</u>
a) Operations	RYN	Provide assistance and training related to operational processes and equipment. This includes computing, storage, memory, networking, security and compliance.
b) Applications / Solutions	RYN	Provide assistance and training related to installed applications and databases. This includes custom, purchased and hosted systems.
c) Operations	RYAM	Provide assistance and training related to operational processes and equipment. This includes computing, storage, memory, networking, security and compliance.
d) Applications / Solutions	RYAM	Provide assistance and training related to installed applications and databases. This includes custom, purchased and hosted systems.
e) Email Forwarding	RYN	Email forwarding - Forward employee emails from Rayonier.com to RayonierAM.com
f) Fax Services	RYN	Provide fax services through Fax2Mail for RYAM employees
g) Email retention for legal hold	RYN	Maintain RYAM employee's email accounts and archives including google docs

2 - FINANCE

<u>Services</u>	<u>Provider (RYN or RYAM)</u>	<u>Description of Services</u>
a) Investor Relations	RYN	Assistance in preparing for July earnings release, including onsite support during earnings call
b-1) Internal Audit	RYAM	Complete open audits
b-2) Internal Audit	RYN	Complete open audits and perform SOX testing.
c-1) Tax	RYAM	Prepare 2013 Form 1120 for Rayonier TRS Holdings and its subsidiaries

¹ Services to be provided in accordance with the terms and conditions of the Agreement to which this schedule is attached and for a period not to exceed eighteen months.

c-2) Tax	RYAM	Prepare 2013 Form 1120-REIT for Rayonier Inc.
c-3) Tax	RYAM	Prepare 2013 Form 1120-REIT for Rayonier Timber Company No 1
c-4) Tax	RYAM	Prepare 2013 Form 1120-REIT for Washington Timber Company
c-5) Tax	RYAM	Prepare 2013 Form 1120-REIT for Atlantic Timber Company
c-6) Tax	RYAM	Prepare 2014 Form 1120-REIT for Washington Timber Company
c-7) Tax	RYAM	Prepare 2014 Form 1120-REIT for Atlantic Timber Company
c-8) Tax	RYAM	Prepare 2014 Form 1120 for Rayonier TRS Holdings and its subsidiaries
c-9) Tax	RYN	Assist in adopting provisions of tangible property regulations
c-10) Tax	RYN	Implement RYAM Global Sales & Distribution Company restructuring

Schedule 1-2

c-11) Tax	RYAM	Prepare Rayonier tax provision through second quarter 2014
c-12) Tax	RYAM	Prepare Rayonier tax provision after second quarter 2014
c-13) Tax	RYAM	Respond to IRS exam questions for 2012 through 2014
c-14) Tax	RYAM	Perform general tax consulting services as needed
c-15) Tax	RYN	Respond to IRS exam questions for 2012 through 2014
c-16) Tax	RYN	Perform general tax consulting services as needed
d) Long Range Planning	RYN	Training and support for the Long Range Planning model, including trouble-shooting and responding to modeling questions

3 – ACCOUNTING

<u>Services</u>	<u>Provider (RYN or RYAM)</u>	<u>Description of Services</u>
a) General Ledger	RYAM	Perform all functions surrounding Performance Fibers' accounting close for June 2014, including: recording journal entries, reconciliation of general ledger accounts, responding to audit requests, and preparing accounting packages.
b) General Ledger	RYN	Provide RYAM with certain financial information (and respond to any related audit requests) required to be disclosed in RYAM's second quarter carve-out financials, including: final value of shared assets/liabilities transferred to RYAM, allocation of corporate overhead, allocation of deal costs, transition costs, and allocation of other corporate charges directly related to

Schedule 1-3

Performance Fibers.

c) Financial Reporting	RYAM	Provide RYN with all information (and respond to any audit related requests) required to complete external reporting requirements, including but not limited to: SEC filings, debt covenants, and other governmental reporting
d) Financial Reporting	RYN	Provide RYAM with all information (and respond to any audit related requests) required to complete external reporting requirements, including but not limited to: SEC filings, debt covenants, and other governmental reporting.

4 - HR

<u>Services</u>	<u>Provider (RYN or RYAM)</u>	<u>Description of Services</u>
a) Employee Services	RYN	Training and availability to answer questions regarding human resources and benefit processes and administration
b) Payroll	RYAM	Training and availability to answer questions regarding payroll processes, reconciliations and filings
c) Compensation	RYN	Training and availability to answer questions related to compensation processes and preparation of board of directors materials
d) Benefits – Retirement Plans	RYN	Training - Retirement Plans
e) Benefits Health and Fitness	RYAM	Training - Health and Wellness Plans
f) Human Resources Information Systems	RYN	Training - Human Resources Information Systems Setup / Integrations

5 – Risk Management

<u>Services</u>	<u>Provider (RYN or RYAM)</u>	<u>Description of Services</u>
a) Insurance and Claims Management	RYAM	Training/Assistance with Insurance Renewal Process and assistance with claims issues

Schedule 1-4

6 – Legal/Corporate Secretary

<u>Services</u>	<u>Provider (RYN or RYAM)</u>	<u>Description of Services</u>
a) Corp Sec / Public Company Governance	RYN	Training, education and assistance for establishment of RYAM Corporate Secretarial function
b) Corp Sec / Public Company Governance	RYAM	Training, consultation and assistance with RYN Corporate Secretarial function, including web portal

7 – Facilities

<u>Services</u>	<u>Provider (RYN or RYAM)</u>	<u>Description of Services</u>
a) Real Property management systems	RYN	Assistance to RYAM in developing a management system for RYAM's real estate

8 – Public Affairs

<u>Services</u>	<u>Service Provider (RYN or RYAM)</u>	<u>Description of Services</u>
a) Foundation Merger Assistance	RYN	Assistance with completing merger of Rayonier Foundation into new Florida-based foundation

Schedule 1-5

TAX MATTERS AGREEMENT

by and among

Rayonier Inc.,

Rayonier Advanced Materials Inc.,

Rayonier TRS Holdings Inc.,

and

Rayonier A.M. Products Inc.

Dated as of June 27, 2014

TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT (this "Agreement"), dated as of June 27, 2014, is by and between Rayonier Inc., a North Carolina corporation ("Rayonier"), Rayonier Advanced Materials Inc., a Delaware corporation ("SpinCo"), Rayonier TRS Holdings Inc., a wholly owned Subsidiary of Rayonier ("TRS"), and Rayonier A.M. Products Inc., a Delaware Corporation and wholly owned subsidiary of TRS ("Products"). Each of Rayonier, SpinCo, TRS, and Products is sometimes referred to herein as a "Party" and, collectively, as the "Parties."

WHEREAS, Rayonier has elected to be classified as a real estate investment trust within the meaning of Section 856(a) of the Code;

WHEREAS, Products has elected to be treated as a corporation for U.S. federal income tax purposes;

WHEREAS, Rayonier, through its various Subsidiaries, is engaged in the Rayonier Business and the SpinCo Business;

WHEREAS, the board of directors of Rayonier has determined that it is in the best interests of Rayonier and its shareholders to create a new publicly traded company which shall operate the SpinCo Business;

WHEREAS, Rayonier and SpinCo have entered into the Separation and Distribution Agreement pursuant to which (a) Rayonier will, and will cause its Subsidiaries to, transfer certain assets, liabilities, Subsidiaries and businesses of Rayonier and its Subsidiaries to SpinCo and its Subsidiaries pursuant to the Plan of Reorganization, as a result of which SpinCo will own, directly and through its Subsidiaries, the SpinCo Business (the "Restructuring"), and (b) Rayonier will distribute all of the stock of SpinCo to its shareholders (the "Distribution") as described therein;

WHEREAS, prior to consummation of the Restructuring and the Distribution, TRS was the common parent corporation of an affiliated group of corporations within the meaning of Section 1504 of the Code;

WHEREAS, prior to consummation of the Restructuring and the Distribution, Products was a wholly owned Subsidiary of TRS;

WHEREAS, the Parties intend that, for U.S. federal income Tax purposes, certain steps of the Restructuring and the Distribution shall qualify as tax-free transactions pursuant to Sections 355, 368(a)(1)(D) and related provisions of the Code; and

WHEREAS, the Parties wish to (a) provide for the payment of Tax liabilities and entitlement to refunds thereof, (b) allocate responsibility for, and cooperation in, the filing of Tax Returns, and provide for certain other matters relating to Taxes, and (c) set forth certain covenants and indemnities relating to the preservation of the tax-free status of certain steps of the Restructuring and the Distribution.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, each of the Parties mutually covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.01. General. As used in this Agreement, the following terms shall have the following meanings:

“Accounting Firm” has the meaning set forth in Section 10.01(b).

“Adjustment” means any change in the Tax liability of a taxpayer, determined issue-by-issue or transaction-by-transaction, as the case may be.

“Agreement” has the meaning set forth in the preamble to this Agreement.

“Ancillary Agreement” has the meaning set forth in the Separation and Distribution Agreement.

“Benefited Party” has the meaning set forth in Section 6.01(b) of this Agreement.

“Closing Date” means the date on which the Distribution occurs.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (including corresponding provisions of any successor statute).

“Common Parent” means (i) for U.S. federal Income Tax purposes, the “common parent corporation” of an “affiliated group” (in each case, within the meaning of Section 1504 of the Code) filing a U.S. federal consolidated Income Tax Return, or (ii) for state, local or foreign income Tax purposes, the common parent (or the equivalent thereof) of a Tax Group.

“Disqualifying Action” means a Rayonier Disqualifying Action or a SpinCo Disqualifying Action.

“Distribution” has the meaning set forth in the preamble to this Agreement.

“Due Date” means (i) with respect to a Tax Return, the date (taking into account all valid extensions) on which such Tax Return is required to be filed under applicable Law and (ii) with respect to a payment of Taxes, the date on which such payment is required to be made to avoid the incurrence of interest, penalties and/or additions to Tax.

“Effective Time” has the meaning set forth in the Separation and Distribution Agreement.

“Employee Matters Agreement” has the meaning set forth in the Separation and Distribution Agreement.

“Extraordinary Transaction” means any action that is not in the Ordinary Course of Business, but shall not include any action described in the Separation and Distribution Agreement or any Ancillary Agreement or that is undertaken pursuant to the Restructuring, the Distribution or the Plan of Reorganization.

“Fifty-Percent or Greater Interest” has the meaning ascribed to such term for purposes of Sections 355(d) and (e) of the Code.

“Final Determination” means the final resolution of liability for any Tax Item or for the Tax liability for any taxable period, by or as a result of (i) a final decision, judgment, decree or other order by any court of competent jurisdiction that can no longer be appealed; (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the Laws of other jurisdictions, which resolves the entire Tax liability for any taxable period; (iii) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund or credit may be recovered by the jurisdiction imposing the Tax; or (iv) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Taxing Authority.

“Income Tax Return” means any Tax Return relating to Income Taxes.

“Income Taxes” means any Taxes based upon, measured by, or calculated with respect to: (A) net income or profits or net receipts (including, but not limited to, any capital gains, minimum Tax, any Tax on items of Tax preference, or any REIT Taxes, but not including sales, use, real or personal property, or transfer or similar Taxes) or (B) multiple bases (including corporate franchise, doing business and occupation Taxes) if one or more bases upon which such Tax may be based, measured by, or calculated with respect to, is described in clause (A).

“Indemnified Party” means the Party which is entitled to seek indemnification from another Party pursuant to the provisions of Article V.

“Indemnifying Party” means the Party from which another Party is entitled to seek indemnification pursuant to the provisions of Article V.

“Information” has the meaning set forth in Section 9.01.

“Information Request” has the meaning set forth in Section 9.01.

“IRS” means the U.S. Internal Revenue Service or any successor thereto, including, but not limited to its agents, representatives, and attorneys.

“IRS Ruling” means the U.S. federal income Tax ruling, and any supplements thereto, issued to Rayonier and TRS by the IRS in connection with the Restructuring and the Distribution.

“Law” has the meaning set forth in the Separation and Distribution Agreement.

“Mixed Business Income Taxes” means any U.S. federal, state or local, or foreign Income Taxes attributable to any Mixed Business Income Tax Return.

“Mixed Business Income Tax Return” means any Income Tax Return (other than a TRS Consolidated Return), including any consolidated, combined or unitary Income Tax Return, that relates to at least one asset or activity that is part of the Rayonier Business, on the one hand, and at least one asset or activity that is part of the SpinCo Business, on the other hand.

“Mixed Business Non-Income Tax Return” means any Non-Income Tax Return that relates to at least one asset or activity that is part of the Rayonier Business, on the one hand, and at least one asset or activity that is part of the SpinCo Business, on the other hand.

“Non-Income Tax Return” means any Tax Return relating to Taxes other than Income Taxes.

“Notified Action” has the meaning set forth in Section 8.03(a).

“Opinion” means the opinion of outside counsel to Rayonier with respect to certain Tax aspects of the Restructuring and the Distribution, as referenced in Section 3.3(a)(iv) of the Separation and Distribution Agreement.

“Ordinary Course of Business” means an action taken by a Person only if such action is taken in the ordinary course of the normal day-to-day operations of such Person.

“Party” has the meaning set forth in the preamble to this Agreement.

“Past Practice” has the meaning set forth in Section 3.01(a).

“Person” has the meaning set forth in the Separation and Distribution Agreement.

“Plan of Reorganization” has the meaning set forth in the Separation and Distribution Agreement.

“Pre-Closing Period” means any taxable period (or portion thereof) ending on or before the Closing Date.

“Post-Closing Period” means any taxable period (or portion thereof) beginning after the Closing Date.

“Proposed Acquisition Transaction” means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by SpinCo management or shareholders, is a hostile acquisition, or otherwise, as a result of which SpinCo would merge or consolidate with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from SpinCo and/or one or more holders of outstanding shares of SpinCo capital stock, as the case may be, a number of shares of SpinCo capital stock that would, when combined with any other changes in ownership

of SpinCo capital stock pertinent for purposes of Section 355(e) of the Code, comprise 40% or more of (A) the value of all outstanding shares of stock of SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (B) the total combined voting power of all outstanding shares of voting stock of SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (A) the adoption by SpinCo of a shareholder rights plan or (B) issuances by SpinCo that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

“Rayonier” has the meaning set forth in the preamble to this Agreement.

“Rayonier Business” has the meaning set forth in the Separation and Distribution Agreement.

“Rayonier Disqualifying Action” means (i) any action (or the failure to take any action) within the control of Rayonier or any Rayonier Entity (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions) that, (ii) any event (or series of events) involving the capital stock of Rayonier, any assets of Rayonier or any assets of any Rayonier Entity that, or (iii) any breach by Rayonier or any Rayonier Entity of any representation, warranty or covenant made by them in this Agreement that, in each case, would negate the Tax-Free Status of the Transactions; provided, however, the term “Rayonier Disqualifying Action” shall not include any action described in the Separation and Distribution Agreement or any Ancillary Agreement or that is undertaken pursuant to the Restructuring, the Distribution or the Plan of Reorganization.

“Rayonier Entity” means any Subsidiary of Rayonier immediately after the Effective Time.

“Rayonier Group” means, individually or collectively, as the case may be, Rayonier and any Rayonier Entity.

“Rayonier Service Provider” has the meaning set forth in Section 6.05(c)(ii).

“Rayonier Taxes” means any Taxes of Rayonier or any Subsidiary or former Subsidiary of Rayonier for any Pre-Closing Period and, with respect to a Straddle Period, the portion of such period ending on the Closing Date (determined in accordance with Section 4.01), in each case other than SpinCo Taxes.

“Refund” means any refund (or credit in lieu thereof) of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied to other Taxes payable),

including any interest paid on or with respect to such refund of Taxes, provided, however, that for purposes of this Agreement, the amount of any Refund required to be paid to another Party shall be reduced by the net amount of any Income Taxes imposed on, related to, or attributable to, the receipt or accrual of such Refund.

“REIT Taxes” means (i) any Taxes imposed a result of the disqualification of Rayonier as a real estate investment trust under Section 856(a) of the Code, (ii) any Taxes imposed under Section 857(b)(5) of the Code, and (iii) any excise Taxes imposed under Section 4981 of the Code.

“Reliance Materials” has the meaning set forth in Section 8.01(a).

“Representatives” has the meaning set forth in the Separation and Distribution Agreement.

“Restriction Period” has the meaning set forth in Section 8.02(b).

“Restructuring” has the meaning set forth in the preamble to this Agreement.

“Restructuring/Distribution Taxes” means any Taxes imposed on or by reason of the Restructuring or the Distribution (including Transfer Taxes), other than any such Taxes caused by a Disqualifying Action. For the avoidance of doubt, Restructuring/Distribution Taxes include Taxes by reason of deferred intercompany transactions triggered by the Restructuring or the Distribution.

“Reviewing Party” has the meaning set forth in Section 3.02.

“SAG” has the meaning ascribed to the term “separate affiliated group” in Section 355(b)(3)(B) of the Code.

“Section 8.02(d) Acquisition Transaction” means any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were 25% instead of 40%.

“Separation and Distribution Agreement” means the Separation and Distribution Agreement by and between the Parties dated as of May 28, 2014.

“Single Business Return” means any Single Business Income Tax Return or Single Business Non-Income Tax Return.

“Single Business Income Tax Return” means any Income Tax Return, including any consolidated, combined or unitary Tax Return, that includes assets or activities relating only to the Rayonier Business, on the one hand, or the SpinCo Business, on the other (but not both), whether or not the Person charged by Law to file such Tax Return is engaged in the business to which the Tax Return relates.

“Single Business Non-Income Tax Return” means any Tax Return that is a Non-Income Tax Return, including any consolidated, combined or unitary Tax Return, that includes assets or activities relating only to the Rayonier Business, on the one hand, or the SpinCo Business, on the other (but not both), whether or not the Person charged by Law to file such Tax Return is engaged in the business to which the Tax Return relates.

“Specified Credits” means any credit pursuant to Sections 34, 40, 6426 and 6427 of the Code.

“SpinCo” has the meaning set forth in the preamble to this Agreement.

“SpinCo Business” has the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Disqualifying Action” means (i) any action (or the failure to take any action) within its control by SpinCo or any SpinCo Entity (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions) that, (ii) any event (or series of events) involving the capital stock of SpinCo, any assets of SpinCo or any assets of any SpinCo Entity that, or (iii) any breach by SpinCo or any SpinCo Entity of any representation, warranty or covenant made by them in this Agreement that, in each case, would negate the Tax-Free Status of the Transactions; provided, however, that the term

“SpinCo Disqualifying Action” shall not include any action described in the Separation and Distribution Agreement or any Ancillary Agreement or that is undertaken pursuant to the Restructuring, the Distribution or the Plan of Reorganization.

“SpinCo Entity” means any Subsidiary of SpinCo immediately after the Effective Time.

“SpinCo Group” means, individually or collectively, as the case may be, SpinCo and any SpinCo Entity.

“SpinCo Service Provider” has the meaning set forth in Section 6.05(c)(i).

“SpinCo Taxes” means, without duplication, (i) any Taxes of Rayonier, any Rayonier Entity, SpinCo or any SpinCo Entity, in each case for any period, attributable solely to, or arising solely with respect to, assets or activities of the SpinCo Business (excluding any Restructuring/Distribution Taxes), (ii) any Restructuring/Distribution Taxes, and (iii) any Taxes attributable to a SpinCo Disqualifying Action (including any REIT Taxes); in each case (A) whether as the result of an Adjustment, amendment or otherwise and (B) including any Taxes resulting from a change of accounting method pursuant to Section 481(a) of the Code. For the avoidance of doubt, SpinCo Taxes shall not include any Taxes attributable to a Rayonier Disqualifying Action.

“Straddle Period” means any taxable period that begins on or before and ends after the Closing Date.

“Subsidiary” has the meaning set forth in the Separation and Distribution Agreement.

“Tax” means (i) all taxes, charges, fees, duties, levies, imposts, or other similar assessments, imposed by any U.S. federal, state or local or foreign governmental authority, including, but not limited to, income, gross receipts, excise, property, sales, use, license, capital stock, transfer, franchise, margin, payroll, withholding, social security, value added and other taxes, (ii) any interest, penalties or additions attributable thereto and (iii) all liabilities in respect of any items described in clauses (i) or (ii) payable by reason of assumption, transferee or successor liability, operation of Law or Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Law).

“Tax Attributes” means net operating losses, capital losses, credits (including any Specified Credits), earnings and profits (including any REIT earnings and profits), overall foreign losses, previously taxed income, separate limitation losses and all other Tax attributes.

“Tax-Free Status of the Transactions” means the tax-free treatment accorded to certain of the transactions taken in connection with the Restructuring and the Distribution as set forth in the IRS Ruling and the Opinion.

“Tax Group” means any U.S. federal, state, local or foreign affiliated, consolidated, combined, unitary or similar group or fiscal unity that joins in the filing of a single Tax Return.

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit or any other item which increases or decreases Taxes paid or payable.

“Taxing Authority” means any governmental authority or any subdivision, agency, commission or entity thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

“Tax Matter” has the meaning set forth in Section 9.01.

“Tax Package” means all relevant Tax-related information relating to the operations of the Rayonier Business or the SpinCo Business, as applicable, that is reasonably necessary to prepare and file the applicable Tax Return.

“Tax Proceeding” means any audit, assessment of Taxes, pre-filing agreement, other examination by any Taxing Authority, proceeding, appeal of a proceeding or litigation relating to Taxes, whether administrative or judicial, including proceedings relating to competent authority determinations.

“Tax Return” means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, or declaration of estimated Tax) required to be supplied to, or filed with, a Taxing Authority in connection with the payment, determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax and any amended Tax return or claim for refund.

“Transfer Taxes” means all sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar Taxes imposed on the Restructuring or the Distribution.

“Treasury Regulations” means the final and temporary (but not proposed) income Tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“TRS” has the meaning set forth in the preamble to this Agreement.

“TRS Consolidated Return” means the U.S. federal Income Tax Return required to be filed by TRS as the Common Parent.

“Unqualified Tax Opinion” means a “will” opinion, without substantive qualifications, of a nationally recognized law firm, which law firm is reasonably acceptable to Rayonier, to the effect that a transaction will not affect the Tax-Free Status of the Transactions.

“U.S.” means the United States of America.

Section 1.02. Additional Definitions.

(a) Capitalized terms not defined in this Agreement shall have the meaning ascribed to them in the Separation and Distribution Agreement.

ARTICLE II

**PREPARATION, FILING AND PAYMENT OF TAXES SHOWN DUE
ON TAX RETURNS**

Section 2.01. TRS Consolidated Returns.

(a) General. TRS shall prepare and file all TRS Consolidated Returns for a Pre-Closing Period or a Straddle Period and shall pay all Taxes shown to be due and payable on such Tax Returns; provided that SpinCo shall reimburse Rayonier for any such Taxes that are SpinCo Taxes.

(b) Extraordinary Transactions. Notwithstanding anything to the contrary in this Agreement, for all Tax purposes, the Parties shall report any Extraordinary Transactions that are caused or permitted by SpinCo or any of its Subsidiaries on the Closing Date after the Effective Time as occurring on the day after the Closing Date pursuant to Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) or any similar or analogous provision of state, local or foreign Law.

Section 2.02. Mixed Business Returns.

(a) Mixed Business Income Tax Returns.

(i) Rayonier shall prepare and file (or cause a Rayonier Entity to prepare and file) any Mixed Business Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Rayonier or a Rayonier Entity and shall pay, or cause such Rayonier Entity to pay, all Taxes shown to be due and payable on such Tax Return; provided that SpinCo shall reimburse Rayonier for any such Taxes that are SpinCo Taxes.

(ii) Rayonier shall prepare (or cause a Rayonier Entity to prepare), and SpinCo shall file (or cause a SpinCo Entity to file), any Mixed Business Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by SpinCo or a SpinCo Entity, and SpinCo shall pay, or cause such SpinCo Entity to pay, all Taxes shown to be due and payable on such Tax Return, provided that Rayonier shall reimburse SpinCo for any such Taxes that are Rayonier Taxes.

(b) Mixed Business Non-Income Tax Returns.

(i) Rayonier shall prepare and file (or cause a Rayonier Entity to prepare and file) any Mixed Business Non-Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Rayonier or a Rayonier Entity and shall pay, or cause such Rayonier Entity to pay, all Taxes shown to be due and payable on such Tax Return, provided that SpinCo shall reimburse Rayonier for any such Taxes that are SpinCo Taxes.

(ii) SpinCo shall prepare and file (or cause a SpinCo Entity to prepare and file) any Mixed Business Non-Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by SpinCo or a SpinCo Entity and shall pay, or cause such SpinCo Entity to pay, all Taxes shown to be due and payable on such Tax Return, provided that Rayonier shall reimburse SpinCo for any such Taxes that are Rayonier Taxes.

Section 2.03. Single Business Returns.

(a) Single Business Income Tax Returns.

(i) Rayonier shall prepare and file (or cause a Rayonier Entity to prepare and file) any Single Business Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Rayonier or a Rayonier Entity and shall pay, or cause such Rayonier Entity to pay, all Taxes shown to be due and payable on such Tax Return; provided that SpinCo shall reimburse Rayonier for any such Taxes that are SpinCo Taxes.

(ii) Rayonier shall prepare (or cause a Rayonier Entity to prepare), and SpinCo shall file (or cause a SpinCo Entity to file), any Single Business Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by SpinCo or a SpinCo Entity, and SpinCo shall pay, or cause such SpinCo Entity to pay, all Taxes shown to be due and payable on such Tax Return, provided that Rayonier shall reimburse SpinCo for any such Taxes that are Rayonier Taxes.

(b) Single Business Non-Income Tax Returns.

(i) Rayonier shall prepare and file (or cause a Rayonier Entity to prepare and file) any Single Business Non-Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Rayonier or a Rayonier Entity and shall pay, or cause such Rayonier Entity to pay, all Taxes shown to be due and payable on such Tax Return, provided that SpinCo shall reimburse Rayonier for any such Taxes that are SpinCo Taxes.

(ii) SpinCo shall prepare and file (or cause a SpinCo Entity to prepare and file) any Single Business Non-Income Tax Return for a Pre-Closing Period or a Straddle Period

required to be filed by SpinCo or a SpinCo Entity and shall pay, or cause such SpinCo Entity to pay, all Taxes shown to be due and payable on such Tax Return, provided that Rayonier shall reimburse SpinCo for any such Taxes that are Rayonier Taxes.

ARTICLE III

TAX RETURN PROCEDURES

Section 3.01. Procedures relating to TRS Consolidated Returns, Mixed Business Income Tax Returns and Single Business Income Tax Returns.

(a) In connection with the preparation of any Tax Return pursuant to Sections 2.01 or 2.02(a), SpinCo will assist and cooperate with Rayonier by preparing and providing to Rayonier, if requested in writing by Rayonier, proforma Tax Returns for SpinCo and any SpinCo Entity to be included in such TRS Consolidated Return or equivalent financial data to be used in the preparation of a Mixed Business Income Tax Return, as applicable. Proforma Tax Returns shall be prepared in accordance with past practices, accounting methods, elections and conventions ("Past Practice"), unless otherwise required by Law or requested in writing by Rayonier. At its option, Rayonier may engage an accounting firm of its choice to review the proforma Tax Return, supporting documentation, and statements submitted by SpinCo and in connection therewith, shall determine whether such Tax Return was prepared in accordance with Past Practice. Prior to engaging such accounting firm, Rayonier shall provide the suggested scope for such accounting review to SpinCo for review and discussion. All costs and expenses associated with such review will be borne by SpinCo upon receipt of invoices detailing the work performed by such accounting firm.

(b) All TRS Consolidated Returns, Mixed Business Income Tax Returns and Single Business Income Tax Returns, in each case required to be prepared by Rayonier pursuant to Article II, shall be prepared by Rayonier in the manner determined by Rayonier in its sole discretion unless otherwise required by Law. Rayonier shall deliver to SpinCo for its review a draft of such TRS Consolidated Return, Mixed Business Income Tax Return or Single Business Income Tax Return (or to the extent practicable the portion of such Tax Return that relates to SpinCo Taxes) at least fifteen (15) days prior to the Due Date for such Tax Return, provided, however, that nothing herein shall prevent Rayonier from timely filing any such Tax Return. Rayonier shall consider any comments received from SpinCo in good faith.

Section 3.02. Procedures relating to Mixed Business Non-Income Tax Return and Single Business Non-Income Tax Returns. The Party that is required to prepare and file any Tax Return pursuant to Sections 2.02(b) or 2.03(b) (the "Preparing Party") which reflects Taxes which are reimbursable by the other Party (the "Reviewing Party"), in whole or in part, shall (1) unless otherwise required by Law or agreed to in writing by the Reviewing Party, prepare such Tax Return in a manner consistent with Past Practice to the extent such items affect the Taxes for which the Reviewing Party is responsible pursuant to this Agreement, and (2) submit to the Reviewing Party a draft of any such Tax Return (or to the extent practicable the portion of such Tax Return that relates to Taxes for which the Reviewing Party is responsible pursuant to this Agreement) along with a statement setting forth the calculation of the Tax shown due and payable on such Tax Return reimbursable by the Reviewing Party under Sections 2.02(b) or

2.03(b) at least fifteen (15) days prior to the Due Date for such Tax Return provided, however, that nothing herein shall prevent the Preparing Party from timely filing any such Mixed Business Non-Income Tax Return or Single Business Non-Income Tax Return. The Parties shall negotiate in good faith to resolve all disputed issues. Any disputes that the Parties are unable to resolve shall be resolved by the Accounting Firm pursuant to Section 10.01. In the event that any dispute is not resolved (whether pursuant to good faith negotiations among the Parties or by the Accounting Firm) prior to the Due Date for the filing of any Mixed Business Non-Income Tax Return or Single Business Non-Income Tax Return, such Mixed Business Non-Income Tax Return or Single Business Non-Income Tax Return, as applicable, shall be timely filed by the Preparing Party and the Parties agree to amend such Tax Return as necessary to reflect the resolution of such dispute in a manner consistent with such resolution.

Section 3.03. Notwithstanding anything to the contrary in Articles II, III and IV, the portion of any Tax Return that relates to any Restructuring/Distribution Taxes or any Taxes attributable to a Rayonier Disqualifying Action shall be prepared by Rayonier in the manner determined by Rayonier in its sole discretion (or, if such Tax Return is required to be prepared by SpinCo, be prepared by SpinCo in the manner determined by Rayonier in its sole discretion); provided, however, that nothing herein shall prevent Rayonier from timely filing any such Tax Return.

ARTICLE IV

TAX TIMING AND ALLOCATION

Section 4.01. Straddle Period Tax Allocation.

(a) For U.S. federal Income Tax purposes, the taxable year of each SpinCo Entity (other than SpinCo) that was a member of the affiliated group of corporations of which TRS was the Common Parent shall end as of the close of the Closing Date. Rayonier and SpinCo shall take all actions necessary or appropriate to close the taxable year of each SpinCo Entity (other than SpinCo) for all other Tax purposes as of the close of the Closing Date to the extent required by applicable Law. If applicable Law does not require SpinCo or a SpinCo Entity, as the case may be, to close its taxable year on the Closing Date, then the allocation of income or deductions required to determine any Taxes or other amounts attributable to the portion of the Straddle Period ending on, or beginning after, the Closing Date shall be made (i) in the manner set forth in Treasury Regulation Section 1.1502-76(b)(2)(ii), to the extent applicable, and (ii) by means of a closing of the books and records of SpinCo or such SpinCo Entity as of the close of the Closing Date to the extent clause (i) does not apply; provided that in each case exemptions, allowances or deductions that are calculated on an annual or periodic basis shall be allocated between such portions in proportion to the number of days in each such portion.

(b) Rayonier and SpinCo (i) shall cause each SpinCo Entity (other than SpinCo) to make an election pursuant to Treasury Regulation Section 1.1502-76(b)(2)(ii) to ratably allocate the items of the taxable year in which the Closing Date occurs (the "Proration Election"), and (ii) cause TRS and the relevant SpinCo Entities to enter into the agreement required to be entered into pursuant to Treasury Regulation Section 1.1502-76(b)(2)(ii)(D)(2).

Section 4.02. Timing of Payments. All Taxes required to be paid or caused to be paid pursuant to Article II by either Rayonier or a Rayonier Entity or SpinCo or a SpinCo Entity, as the case may be, to an applicable Taxing Authority or to be reimbursed by Rayonier or SpinCo to the other Party pursuant to this Agreement, shall, in the case of a payment to a Taxing Authority, be paid on or before the Due Date for the payment of such Taxes and, in the case of a payment to the other Party, be paid at least two (2) business days before the Due Date for the payment of such Taxes by the other Party.

Section 4.03. Expenses. Except as provided in Section 3.01 in respect of the proforma Tax Returns submitted by SpinCo or Section 10.01(b) in respect of the Accounting Firm, each Party shall bear its own expenses incurred in connection with Articles II, III and IV.

Section 4.04. Apportionment of SpinCo Taxes. For all purposes of this Agreement, Rayonier, on the one hand, and SpinCo, on the other hand, shall jointly determine in good faith which Tax Items are properly attributable to assets or activities of the SpinCo Business (and in the case of a Tax Item that is properly attributable to both the SpinCo Business and the Rayonier Business, the allocation of such Tax Item between the SpinCo Business and the Rayonier Business) in a manner consistent with the provisions hereof and any disputes shall be resolved in accordance with Article X.

Section 4.05. Section 336(e) Election. Rayonier, TRS and Products shall each make a timely protective election under Section 336(e) of the Code and the Treasury Regulations thereunder with respect to the First Internal Distribution (as defined in the Plan of Reorganization), the Second Internal Distribution (as defined in the Plan of Reorganization) and the Distribution, respectively.

Section 4.06. Coordination with Article VI. Articles II, III and IV shall not apply to any amended Tax Returns, such amended Tax Returns being governed by Article VI.

ARTICLE V.

INDEMNIFICATION

Section 5.01. Indemnification by Rayonier. Rayonier shall pay, and shall indemnify and hold the SpinCo Group harmless from and against, without duplication, (i) all Rayonier Taxes, (ii) all Taxes incurred by SpinCo or any SpinCo Entity by reason of the breach by Rayonier of any of its representations, warranties or covenants hereunder, and (iii) any costs and expenses related to the foregoing (including reasonable fees of attorneys and experts and out-of-pocket expenses).

Section 5.02. Indemnification by SpinCo. SpinCo shall pay, and shall indemnify and hold the Rayonier Group harmless from and against, without duplication, (i) all SpinCo Taxes, (ii) all Taxes incurred by Rayonier or any Rayonier Entity by reason of the breach by SpinCo of any of its representations, warranties or covenants hereunder (including any REIT Taxes), and (iii) any costs and expenses related to the foregoing (including reasonable fees of attorneys and experts and out-of-pocket expenses), except in each case to the extent Rayonier expressly waives such right to receive an indemnification payment (or portion thereof) in writing.

Section 5.03. Characterization of and Adjustments to Payments.

(a) For all Tax purposes, Rayonier and SpinCo agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Closing Date) as either a contribution by Rayonier to SpinCo or a distribution by SpinCo to Rayonier, as the case may be, occurring immediately prior to the Closing Date or as a payment of an assumed or retained liability and (ii) any payment of non-federal Taxes by or to a Taxing Authority or any payment of interest as taxable or deductible, as the case may be, to the Party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

(b) Any indemnification payment under this Article V shall be increased to take into account any inclusion in income of the Indemnified Party arising from the receipt of such indemnity payment (including any REIT Taxes resulting therefrom) and shall be decreased to take into account any reduction in income of the Indemnified Party arising from such indemnified liability, except, in the case of an increase, to the extent the Indemnified Party expressly waives such right to receive an increased indemnification payment (or portion thereof) in writing. For purposes hereof, any inclusion or reduction shall be determined (i) using the highest marginal rates in effect at the time of the determination and (ii) assuming that the Indemnified Party will be liable for Taxes at such rate and has no Tax Attributes at the time of the determination.

Section 5.04. Timing of Indemnification Payments. Indemnification payments required pursuant to this Article V shall be paid by the Indemnifying Party to the Indemnified Party as the associated indemnifiable liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification payment.

ARTICLE VI

REFUNDS, CARRYBACKS, AMENDMENTS AND TAX ATTRIBUTES

Section 6.01. Refunds.

(a) Except as provided in Section 6.02, Rayonier shall be entitled to all Refunds of Taxes for which Rayonier is responsible pursuant to Article II or is or may be liable pursuant to Article V, and SpinCo shall be entitled to all Refunds of Taxes for which SpinCo is responsible pursuant to Article II or is or may be liable pursuant to Article V. A Party receiving a Refund to which the other Party is entitled pursuant to this Agreement shall pay the amount to which such other Party is entitled within ten (10) days after the receipt of the Refund.

(b) In the event of an Adjustment relating to Taxes for which one Party is responsible pursuant to Article II or is or may be liable pursuant to Article V which would have given rise to a Refund but for an offset against the Taxes for which the other Party is or may be liable pursuant to Article V (the "Benefited Party"), then the Benefited Party shall pay to the other Party, within ten (10) days of the Final Determination of such Adjustment an amount equal to the lesser of (i) the amount of such hypothetical Refund or (ii) the amount of such reduction in the

Taxes of the Benefited Party, in each case plus interest at the rate set forth in Section 6621(a)(1) on such amount for the period from the filing date of the Tax Return that would have given rise to such Refund to the payment date.

(c) Notwithstanding Section 6.01(a), to the extent that a Party applies or causes to be applied an overpayment of Taxes as a credit toward or a reduction in Taxes otherwise payable (or a Taxing Authority requires such application in lieu of a Refund) and such overpayment of Taxes, if received as a Refund, would have been payable by such Party to the other Party pursuant to this Section 6.01, such Party shall pay such amount to the other Party no later than the Due Date of the Tax Return for which such overpayment is applied to reduce Taxes otherwise payable.

(d) To the extent that the amount of any Refund under this Section 6.01 is later reduced by a Taxing Authority or a Tax Proceeding, such reduction shall be allocated to the Party to which such Refund was allocated pursuant to this Section 6.01 and an appropriate adjusting payment shall be made.

Section 6.02. Carrybacks.

(a) The carryback of any loss, credit or other Tax Attribute from any Post-Closing Period shall be in accordance with the provisions of the Code and Treasury Regulations (and any applicable state, local or foreign Laws).

(b) (i) Subject to Sections 6.02(c) and 6.02(d), in the event that any member of the SpinCo Group realizes any loss, credit or other Tax Attribute in a Post-Closing Period of such member, such member may elect to carry back such loss, credit or other Tax Attribute to a Pre-Closing Period or a Straddle Period of Rayonier. Rayonier shall cooperate with SpinCo and such member in seeking from the appropriate Taxing Authority any Refund that reasonably would result from such carryback (including by filing an amended Tax Return) at SpinCo's cost and expense; provided, that Rayonier shall not be required to seek such Refund and SpinCo and such member shall not be permitted to seek such Refund, in each case to the extent that such Refund would reasonably be expected to materially adversely impact Rayonier (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used), in each case without the prior written consent of Rayonier. SpinCo (or such member) shall be entitled to any Refund realized by any member of the Rayonier Group or the SpinCo Group resulting from such carryback.

(ii) Subject to Sections 6.02(c) and 6.02(d), in the event that any member of the Rayonier Group realizes any loss, credit or other Tax Attribute in a Post-Closing Period of such member, such member may elect to carry back such loss, credit or other Tax Attribute to a Pre-Closing Period or a Straddle Period of such member. SpinCo shall cooperate with Rayonier and such member in seeking from the appropriate Taxing Authority any Refund that reasonably would result from such carryback (including by filing an amended Tax Return), at Rayonier's cost and expense; provided, that SpinCo shall not be required to seek such Refund and Rayonier and such member shall not be permitted to seek such Refund, in each case to the extent that such Refund would reasonably be expected to materially adversely impact SpinCo (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such

Tax Attribute otherwise would have been used), in each case without the prior written consent of SpinCo. Rayonier shall be entitled to any Refund realized by any member of the SpinCo Group or the Rayonier Group resulting from such carryback.

(c) Except as otherwise provided by applicable Law, if any loss, credit or other Tax Attribute of the Rayonier Business and the SpinCo Business both would be eligible to be carried back or carried forward to the same Pre-Closing Period (had such carryback been the only carryback to such taxable period), any Refund resulting therefrom shall be allocated between Rayonier and SpinCo proportionately based on the relative amounts of the Refunds to which the Rayonier Business and the SpinCo Business, respectively, would have been entitled had such carryback been the only carryback to such taxable period.

(d) To the extent the amount of any Refund under this Section 6.02 is later reduced by a Tax Authority or a Tax Proceeding, such reduction shall be allocated to the Party to which such Refund was allocated pursuant to this Section 6.02.

(e) To the extent any Tax Attributes (other than any Specified Credits) attributable to or arising with respect to the assets or activities of the SpinCo Business are allocated to the Rayonier Group pursuant to Section 6.04 and are utilized to reduce the Taxes for which Rayonier or a Rayonier Entity is responsible pursuant to Articles II or V, Rayonier shall pay to SpinCo the amount of such reduction in Taxes within ten (10) days of such time as such reduction is actually realized in cash.

(f) To the extent any Tax Attributes (other than any Specified Credits) attributable to or arising with respect to the assets or activities of the Rayonier Business are utilized to reduce the Taxes for which SpinCo or a SpinCo Entity is responsible pursuant to Articles II or V (including any Taxes resulting from any adjustment resulting from a change of accounting method pursuant to Section 481(a) of the Code), SpinCo shall pay to Rayonier the amount of such reduction in Taxes within ten (10) days of such time as such reduction is actually realized in cash.

(g) For the avoidance of doubt, no Party shall be required to pay any other Party for the benefit of utilizing any Specified Credits attributable to or arising with respect to the assets or activities of such other Party.

Section 6.03. Amended Tax Returns.

(a) TRS Consolidated Returns. Rayonier shall, in its sole discretion, be permitted to amend any TRS Consolidated Return for a Pre-Closing Period or a Straddle Period; provided, however, that unless otherwise required by a Final Determination, Rayonier shall not amend any such TRS Consolidated Return to the extent that any such amendment (i) would reasonably be expected to materially adversely impact SpinCo (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) or (ii) is inconsistent with Past Practice, in each case without the prior written consent of SpinCo, which consent shall not be unreasonably withheld or delayed.

(b) Mixed Business Income Tax Returns and Single Business Income Tax Returns. Rayonier shall, in its sole discretion, be permitted to amend, or to cause SpinCo or any SpinCo

Entity to amend (and SpinCo shall, if Rayonier so chooses, amend or cause the applicable SpinCo Entity to amend), any Mixed Business Income Tax Return or Single Business Income Tax Return for a Pre-Closing Period or a Straddle Period; provided, however, that unless otherwise required by a Final Determination, Rayonier shall not be permitted to so amend any such Mixed Business Income Tax Return or Single Business Income Tax to the extent that any such amendment would reasonably be expected to materially adversely impact SpinCo (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) in a Post-Closing Period or the portion of a Straddle Period beginning after the Closing Date, in each case without the prior written consent of SpinCo.

(c) Mixed Business Non-Income Tax Returns and Single Business Non-Income Tax Returns. Each of Rayonier or SpinCo, as the case may be, shall, in its sole discretion, be permitted to amend (or cause or permit to be amended) any Mixed Business Non-Income Tax Return or Single Business Non-Income Tax Return; provided, however, that if any Party wishes to amend any such Tax Return for which the other Party may be liable for Taxes pursuant to this Agreement, then, unless otherwise required by a Final Determination, Rayonier or SpinCo, as the case may be, shall not be permitted to so amend (or cause or permit to be amended) any such Mixed Business Non-Income Tax Return or Single Business Non-Income Tax Return, as the case may be, to the extent that any such amendment (i) would reasonably be expected to materially adversely impact the other Party (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) or (ii) is inconsistent with Past Practice, in each case without the prior written consent of such other Party, which consent shall not be unreasonably withheld or delayed.

Section 6.04. Tax Attributes.

(a) Tax Attributes arising in a Pre-Closing Period shall be allocated to the Rayonier Group (including to TRS) and the SpinCo Group in accordance with the Code and Treasury Regulations (and any applicable state, local and foreign Laws), giving effect to the provisions of Section 4.01 (including, for the avoidance of doubt and without limitation, the Proration Election). Rayonier and SpinCo shall jointly determine the allocation of such Tax Attributes arising in Pre-Closing Periods as soon as reasonably practicable following the Closing Date, and hereby agree to compute all Taxes for Post-Closing Periods consistently with that determination unless otherwise required by a Final Determination.

(b) To the extent that the amount of any Tax Attribute is later reduced or increased by a Taxing Authority or Tax Proceeding, such reduction or increase shall be allocated to the Party to which such Tax Attribute was allocated pursuant to Section 6.04(a).

Section 6.05. Treatment of Deductions Associated with Equity-Related Compensation.

(a) Solely Rayonier or any member of the Rayonier Group, as the case may be, shall be entitled to claim any Tax deduction associated with the following items on its respective Tax Return:

(i) The exercise of any SpinCo Options by any Rayonier Service Provider, the vesting or settlement of SpinCo Restricted Stock Awards and SpinCo Performance Share Awards held by any Rayonier Service Provider and the payment of any dividends or dividend equivalents with respect to such SpinCo Restricted Stock Awards and SpinCo Performance Share Awards to Rayonier Service Providers.

(ii) The exercise of any Post-Separation Rayonier Options by any Rayonier Service Provider, the vesting of Post-Separation Rayonier Restricted Stock Awards and Post-Separation Performance Share Awards held by any Rayonier Service Provider and the payment of any dividends or dividend equivalents with respect to such Post-Separation Rayonier Restricted Stock Awards and Post-Separation Performance Share Awards to Rayonier Service Providers.

(b) Solely SpinCo or any member of the SpinCo Group, as the case may be, shall be entitled to claim any Tax deduction associated with the following items on its respective Tax Return:

(i) The exercise of any Post-Separation Rayonier Options by any SpinCo Service Provider, the vesting of Post-Separation Rayonier Restricted Stock Awards and Post-Separation Performance Share Awards held by any SpinCo Service Provider and the payment of any dividends or dividend equivalents with respect to such Post-Separation Rayonier Restricted Stock Awards and Post-Separation Performance Share Awards to SpinCo Service Providers.

(ii) The exercise of any SpinCo Options by any SpinCo Service Provider, the vesting or settlement of SpinCo Restricted Stock Awards and SpinCo Performance Share Awards held by any SpinCo Service Provider and the payment of any dividends or dividend equivalents with respect to such SpinCo Restricted Stock Awards and SpinCo Performance Share Awards to SpinCo Service Providers.

(c) The following terms shall have the following meanings:

(i) **“SpinCo Service Provider”** means any SpinCo Group Employee, Former SpinCo Group Employee or Transferred Director (each as defined in the Employee Matters Agreement) at the time of the exercise, vesting, settlement, disqualifying disposition or payment;

(ii) **“Rayonier Service Provider”** means any Rayonier Group Employee, Former Rayonier Group Employee, or former non-employee director of Rayonier (who is not a Transferred Director) at the time of the exercise, vesting, disqualifying disposition or payment.

(d) Capitalized terms used in this Section 6.05 but not otherwise defined herein shall have the respective meanings ascribed to them in the Employee Matters Agreement.

ARTICLE VII

TAX PROCEEDINGS

Section 7.01. Notification of Tax Proceedings. Within ten (10) days after an Indemnified Party becomes aware of the commencement of a Tax Proceeding that may give rise

to Taxes for which an Indemnifying Party is responsible pursuant to Article V, such Indemnified Party shall notify the Indemnifying Party of such Tax Proceeding, and thereafter shall promptly forward or make available to the Indemnifying Party copies of notices and communications relating to such Tax Proceeding. The failure of the Indemnified Party to notify the Indemnifying Party of the commencement of any such Tax Proceeding within such ten (10) day period or promptly forward any further notices or communications shall not relieve the Indemnifying Party of any obligation which it may have to the Indemnified Party under this Agreement except to the extent that the Indemnifying Party is actually prejudiced by such failure.

Section 7.02. Statute of Limitations. Any extension of the statute of limitations for any Taxes or a Tax Return for any Pre-Closing Period or a Straddle Period shall be made by the Party required to file such Tax Return or pay such Taxes to a Taxing Authority; provided that to the extent such Taxes or Tax Return may result in an indemnification obligation pursuant to this Agreement by the Party other than the filing Party, the Indemnifying Party may, in its reasonable discretion, require that the filing Party extend the applicable statute of limitations for such period as determined by the Indemnifying Party.

Section 7.03. Tax Proceeding Procedures Generally.

(a) Except as provided in Section 7.04, Rayonier shall be entitled to contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding with respect to any TRS Consolidated Return or Mixed Business Income Tax Return and any Mixed Business Non-Income Tax Return or Single Business Return required to be prepared by Rayonier or a Rayonier Entity pursuant to Article II (including in respect of any Refund, carryback or amendment relating to any such Tax Return pursuant to Article VI), and any such defense shall be made diligently and in good faith; provided that to the extent that such Tax Proceeding could materially affect the amount of Taxes for which SpinCo is responsible pursuant to Articles II and V, Rayonier (1) shall keep SpinCo informed in a timely manner of all actions proposed to be taken by Rayonier with respect to such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relates to Taxes for which SpinCo is responsible pursuant to Articles II and V) and (2), shall permit SpinCo to participate in all proceedings with respect to such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relates to Taxes for which SpinCo is responsible pursuant to Article V) and shall not settle any such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relate to Taxes, or the Tax Items, for which SpinCo is responsible pursuant to Article V) without the prior written consent of SpinCo, which shall not be unreasonably withheld, delayed or conditioned.

(b) Except as provided in Section 7.04, SpinCo shall be entitled to contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding with respect to any Mixed Business Non-Income Tax Return or Single Business Return required to be prepared by SpinCo or a SpinCo Entity pursuant to Article II (including in respect of any Refund, carryback or amendment relating to any such Tax Return pursuant to Article VI), and any such defense shall be made diligently and in good faith; provided that to the extent that such Tax Proceeding could materially affect the amount of Taxes for which Rayonier is responsible pursuant to Articles II and V, SpinCo (1) shall keep Rayonier informed in a timely manner of all actions proposed to be taken by SpinCo with respect to such Tax Proceeding (or to

the extent practicable the portion of such Tax Proceeding that relates to Taxes for which Rayonier is responsible pursuant to Articles II and V) and (2) shall permit Rayonier to participate in all proceedings with respect to such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relates to Taxes for which Rayonier is responsible pursuant to Articles II and V) and shall not settle any such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relates to Taxes, or the Tax Items, for which Rayonier is responsible pursuant to Article V) without the prior written consent of Rayonier, which shall not be unreasonably withheld, delayed or conditioned.

Section 7.04. Tax Proceedings in respect of Restructuring/Distribution Taxes and Disqualifying Actions.

(a) Rayonier and SpinCo shall be entitled to jointly contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding relating to (i) Restructuring/Distribution Taxes and (ii) any Taxes attributable to a SpinCo Disqualifying Action.

(b) Rayonier shall be entitled to contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding relating to any Taxes attributable to a Rayonier Disqualifying Action and shall defend such Adjustment diligently and in good faith; provided, that, unless waived by the Parties in writing, Rayonier shall (i) keep SpinCo informed in a timely manner of all actions taken or proposed to be taken by Rayonier, (ii) provide copies of all correspondence or filings to be submitted to any Taxing Authority or judicial authority to SpinCo for its prior review and consent, which consent shall not be unreasonably withheld and (iii) provide SpinCo with written notice reasonably in advance of, and SpinCo shall have the right to attend, any formally scheduled meetings with any Taxing Authority or hearings or proceedings before any judicial authority.

ARTICLE VIII

TAX-FREE STATUS OF THE DISTRIBUTION

Section 8.01. Representations and Warranties.

(a) SpinCo. SpinCo hereby represents and warrants or covenants and agrees, as appropriate, that the facts presented and the representations made in (A) the Opinion, (B) each submission to the IRS in connection with the IRS Ruling, (C) the representation letter from Rayonier addressed to Counsel supporting the Opinion, (D) the representation letter from SpinCo addressed to Counsel supporting the Opinion and (E) any other materials delivered or deliverable by Rayonier or SpinCo in connection with the rendering by Counsel of the Opinion and the issuance by the IRS of the IRS Ruling (all of the foregoing, collectively, the "Reliance Materials"), to the extent descriptive of the SpinCo Group (each of the distributions described in the IRS Ruling and the other Reliance Materials to the extent that they relate to the SpinCo Group and the plans, proposals, intentions and policies of the SpinCo Group), are, or will be from the time presented or made through and including the Effective Time and thereafter as relevant, true, correct and complete in all respects.

(b) Rayonier. Rayonier hereby represents and warrants or covenants and agrees, as appropriate, that (i) it has delivered complete and accurate copies of the Reliance Materials to SpinCo and (ii) the facts presented and the representations made therein, to the extent descriptive of the Rayonier Group (including the business purposes for each of the distributions described in the IRS Ruling and the other Reliance Materials to the extent that they relate to the Rayonier Group and the plans, proposals, intentions and policies of the Rayonier Group), are, or will be from the time presented or made through and including the Effective Time and thereafter as relevant, true, correct and complete in all respects.

(c) No Contrary Knowledge. Each of Rayonier and SpinCo represents and warrants that it knows of no fact (after due inquiry) that may cause the Tax treatment of the Restructuring or the Distribution to be other than the Tax-Free Status of the Transactions.

(d) No Contrary Plan. Each of Rayonier and SpinCo represents and warrants that neither it, nor any of its Affiliates, has any plan or intent to take any action which is inconsistent with any statements or representations made in the Reliance Materials.

Section 8.02. Restrictions Relating to the Distribution.

(a) General. Neither Rayonier nor SpinCo shall, nor shall Rayonier or SpinCo permit any Rayonier Entity or any SpinCo Entity, respectively, to take any action that constitutes (or fail to take an action, the omission of which would result in, as applicable) a Disqualifying Action described in the definitions of Rayonier Disqualifying Action and SpinCo Disqualifying Action, respectively.

(b) Restrictions. Prior to the first day following the second anniversary of the Distribution (the "Restriction Period"), SpinCo:

(i) shall continue and cause to be continued the active conduct of the SpinCo Business, taking into account Section 355(b)(3) of the Code, in all cases as conducted immediately prior to the Distribution.

(ii) shall not, and shall not permit any SpinCo Entity (other than any SpinCo Entity (A) treated as an entity disregarded from its owner for federal income tax purposes or (B) that owns no, or only a *de minimis* amount of, assets) to voluntarily dissolve or liquidate (including any action that is a liquidation for federal income tax purposes).

(iii) shall not (1) enter into any Proposed Acquisition Transaction or, to the extent SpinCo has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (2) redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (3) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of its capital stock (including through the conversion of any capital stock into another class of capital stock), (4) merge or consolidate with any other Person and shall not permit any SpinCo Entity to merge or consolidate with any other Person or (5) take any other action or actions (including any action or

transaction that would be reasonably likely to be inconsistent with any representation made in the Reliance Materials) which in the aggregate (and taking into account any other transactions described in this Section 8.02(b)(iii)) would be reasonably likely to have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in SpinCo or otherwise jeopardize the Tax-Free Status of the Transactions.

(iv) shall not, and shall not permit any SpinCo Entity (or members of their respective SAG) to sell, transfer, or otherwise dispose of or agree to, sell, transfer or otherwise dispose (including in any transaction treated for federal income tax purposes as a sale, transfer or disposition) of assets (including any shares of capital stock of a Subsidiary) that, in the aggregate, constitute more than 30% of the gross assets of such SpinCo Entity or more than 30% of the consolidated gross assets of such SpinCo Entity and members of its respective SAG. The foregoing sentence shall not apply to (A) sales, transfers, or dispositions of assets in the Ordinary Course of Business, (B) any cash paid to acquire assets from an unrelated Person in an arm's-length transaction, (C) any assets transferred to a Person that is disregarded as an entity separate from the transferor for federal income tax purposes or (D) any mandatory or optional repayment (or pre-payment) of any indebtedness of such SpinCo Entity (or any member of its respective SAG). The percentages of gross assets or consolidated gross assets of such SpinCo Entity or its respective SAG, as the case may be, sold, transferred, or otherwise disposed of, shall be based on the fair market value of the gross assets of such SpinCo Entity and the members of its respective SAG as of the Closing Date. For purposes of this Section 8.02(b)(iv), a merger of a SpinCo Entity (or a member of its SAG) with and into any Person shall constitute a disposition of all of the assets of such SpinCo Entity or such member.

(c) Notwithstanding the restrictions imposed by Sections 8.02(b), during the Restriction Period, SpinCo may proceed with any of the actions or transactions described therein, if (i) SpinCo shall first have requested Rayonier to obtain a supplemental ruling in accordance with Section 8.03(a) of this Agreement to the effect that such action or transaction will not affect the Tax-Free Status of the Transactions and Rayonier shall have received such a supplemental ruling in form and substance reasonably satisfactory to it, (ii) SpinCo shall have provided to Rayonier an Unqualified Tax Opinion in form and substance reasonably satisfactory to Rayonier, or (iii) Rayonier shall have waived in writing the requirement to obtain such ruling or opinion. In determining whether a ruling or opinion is satisfactory, Rayonier shall exercise its discretion, in good faith, solely to preserve the Tax-Free Status of the Transactions and may consider, among other factors, the appropriateness of any underlying assumptions or representations used as a basis for the ruling or opinion and the views on the substantive merits. For the avoidance of doubt, SpinCo shall not be relieved of any indemnification obligation pursuant to Article V or otherwise under this Agreement as a result of having satisfied the requirements of clause (i), (ii) or (iii) of this Section 8.02(c).

(d) Certain Issuances of Capital Stock. If SpinCo proposes to enter into any Section 8.02(d) Acquisition Transaction or, to the extent SpinCo has the right to prohibit any Section 8.02(d) Acquisition Transaction, proposes to permit any Section 8.02(d) Acquisition Transaction to occur, in each case, during the Restriction Period, SpinCo shall provide Rayonier, no later than ten (10) days following the signing of any written agreement with respect to any Section

8.02(d) Acquisition Transaction, with a written description of such transaction (including the type and amount of SpinCo capital stock to be issued in such transaction).

(e) Tax Reporting. Each of Rayonier and SpinCo covenants and agrees that it will not take, and will cause its respective Affiliates to refrain from taking, any position on any Income Tax Return that is inconsistent with the Tax-Free Status of the Transactions.

Section 8.03. Procedures Regarding Opinion and Rulings.

(a) If SpinCo notifies Rayonier that it desires to take one of the actions described in Sections 8.02(b) (a “Notified Action”), Rayonier shall cooperate with SpinCo and use its reasonable best efforts to seek to obtain, as expeditiously as possible, a supplemental ruling from the IRS or an Unqualified Tax Opinion for the purpose of permitting SpinCo to take the Notified Action unless Rayonier shall have waived the requirement to obtain such ruling or opinion. If such a ruling is to be sought, Rayonier shall apply for such ruling and Rayonier and SpinCo shall jointly control the process of obtaining such ruling. In no event shall Rayonier be required to file any ruling request under this Section 8.03(a) unless SpinCo represents that (i) it has read such ruling request, and (ii) all information and representations, if any, relating to any member of the SpinCo Group, contained in such ruling request documents are (subject to any qualifications therein) true, correct and complete. SpinCo shall reimburse Rayonier for all reasonable costs and expenses incurred by the Rayonier Group in obtaining a ruling or Unqualified Tax Opinion requested by SpinCo within ten (10) days after receiving an invoice from Rayonier therefor.

(b) Rayonier shall have the right to obtain a supplemental ruling or an Unqualified Tax Opinion at any time in its sole and absolute discretion. If Rayonier determines to obtain such ruling or opinion, SpinCo shall (and shall cause each SpinCo Entity to) cooperate with Rayonier and take any and all actions reasonably requested by Rayonier in connection with obtaining such ruling or opinion (including by making any representation or reasonable covenant or providing any materials requested by the IRS or the law firm issuing such opinion); provided that SpinCo shall not be required to make (or cause a SpinCo Entity to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control. In connection with obtaining such ruling, Rayonier shall apply for such ruling and shall have sole and exclusive control over the process of obtaining such ruling. Rayonier and SpinCo shall each bear its own costs and expenses in obtaining a ruling or Unqualified Tax Opinion requested by Rayonier.

(c) Except as provided in Sections 6.03(a) and (b) neither SpinCo nor any SpinCo Affiliate shall seek any guidance from the IRS or any other Tax Authority (whether written, verbal or otherwise) at any time concerning the Restructuring or Distribution (including the impact of any transaction on the Restructuring or Distribution).

ARTICLE IX

COOPERATION

Section 9.01. General Cooperation.

The Parties shall each cooperate fully (and each shall cause its respective Subsidiaries to cooperate fully) with all reasonable requests in writing (“Information Request”) from another Party hereto, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of Tax Returns (including the preparation of Tax Packages), claims for Refunds, Tax Proceedings, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of any of the Parties or their respective Subsidiaries covered by this Agreement and the establishment of any reserve required in connection with any financial reporting (a “Tax Matter”). Such cooperation shall include the provision of any information reasonably necessary or helpful in connection with a Tax Matter (“Information”) and shall include, without limitation, at each Party’s own cost:

(i) the provision of any Tax Returns of the Parties and their respective Subsidiaries, books, records (including information regarding ownership and Tax basis of property), documentation and other information relating to such Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings or other determinations by Taxing Authorities;

(ii) the execution of any document (including any power of attorney) in connection with any Tax Proceedings of any of the Parties or their respective Subsidiaries, or the filing of a Tax Return or a Refund claim of the Parties or any of their respective Subsidiaries;

(iii) the use of the Party’s reasonable best efforts to obtain any documentation in connection with a Tax Matter; and

(iv) the use of the Party’s reasonable best efforts to obtain any Tax Returns (including accompanying schedules, related work papers, and documents), documents, books, records or other information in connection with the filing of any Tax Returns of any of the Parties or their Subsidiaries.

Each Party shall make its employees, advisors, and facilities available, without charge, on a reasonable and mutually convenient basis in connection with the foregoing matters.

Section 9.02. Retention of Records. Rayonier and SpinCo shall retain or cause to be retained all Tax Returns, schedules and work papers, and all material records or other documents relating thereto in their possession, until sixty (60) days after the expiration of the applicable statute of limitations (including any waivers or extensions thereof) of the taxable periods to which such Tax Returns and other documents relate or until the expiration of any additional period that any Party reasonably requests, in writing, with respect to specific material records or documents. A Party intending to destroy any material records or documents shall provide the other Party with reasonable advance notice and the opportunity to copy or take possession of such records and documents. The Parties hereto will notify each other in writing of any waivers or extensions of the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained.

ARTICLE X

MISCELLANEOUS

Section 10.01. Dispute Resolution.

(a) In the event of any dispute between the Parties as to any matter covered by this Agreement, the Parties shall agree as to whether such dispute shall be governed by the procedures set forth in Section 10.01(b) of this Agreement or in Article VII of the Separation and Distribution Agreement. If the Parties cannot agree within thirty (30) days from the time such dispute arises as to which procedure will govern such dispute, such disagreement shall be resolved pursuant to Article VII of the Separation and Distribution Agreement.

(b) With respect to any dispute governed by this Section 10.01(b), the Parties shall appoint a nationally recognized “Big Four” independent public accounting firm (other than the current auditing firm of Rayonier or SpinCo) (the “Accounting Firm”) to resolve such dispute. The Parties shall cooperate in good faith in jointly selecting the Accounting Firm. If the Parties cannot agree on a nationally recognized firm within thirty (30) days from the time such dispute arises, the Parties shall appoint the firm Grant Thornton LLP to be the Accounting Firm. In this regard, the Accounting Firm shall make determinations with respect to the disputed items based solely on representations made by Rayonier and SpinCo and their respective representatives, and not by independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination in favor of one Party only. The Parties shall require the Accounting Firm to resolve all disputes no later than fifteen (15) days after the submission of such dispute to the Accounting Firm, but in no event later than the Due Date for the payment of Taxes or the filing of the applicable Tax Return, if applicable, and agree that all decisions by the Accounting Firm with respect thereto shall be final and conclusive and binding on the Parties. The Accounting Firm shall resolve all disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with the Past Practices of Rayonier and its Subsidiaries, except as otherwise required by applicable Law. The Parties shall require the Accounting Firm to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Accounting Firm shall be paid by the non-prevailing Party.

Section 10.02. Tax Sharing Agreements. All Tax sharing, indemnification and similar agreements, written or unwritten, as between Rayonier or a Rayonier Entity, on the one hand, and SpinCo or a SpinCo Entity, on the other (other than this Agreement, the Separation and Distribution Agreement, or any other Ancillary Agreement), shall be or shall have been terminated no later than the Effective Time and, after the Effective Time, none of Rayonier or a Rayonier Entity, or SpinCo or a SpinCo Entity shall have any further rights or obligations under any such Tax sharing, indemnification or similar agreement.

Section 10.03. Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including

the earlier of the forty-fifth (45th) day or the payment date and thereafter will accrue interest at a rate per annum equal to 9%.

Section 10.04. Survival of Covenants. Except as otherwise contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms, provided, however, that the representations and warranties and all indemnification for Taxes shall survive until sixty (60) days following the expiration of the applicable statute of limitations (taking into account all extensions thereof), if any, for assessment of the Tax that gave rise to the indemnification, provided, further, that, in the event that notice for indemnification has been given within the applicable survival period, such indemnification shall survive until such time as such claim is finally resolved.

Section 10.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner.

Section 10.06. Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties hereto with respect to the subject matter of this Agreement.

Section 10.07. No Third-Party Beneficiaries. Except as provided in Article V with respect to indemnified Parties, this Agreement is for the sole benefit of the Parties to this Agreement and their respective Subsidiaries and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 10.08. Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by the Parties to this Agreement.

Section 10.09. Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by the Parties to this Agreement. No waiver by any Party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by any Party of a breach of any

provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

Section 10.10. Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (ii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, exhibits and schedules of this Agreement unless otherwise specified; (iii) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto; (iv) references to “\$” shall mean U.S. dollars; (v) the word “including” and words of similar import when used in this Agreement shall mean “including without limitation,” unless otherwise specified; (vi) the word “or” shall not be exclusive; (vii) references to “written” or “in writing” include in electronic form; (viii) provisions shall apply, when appropriate, to successive events and transactions; (ix) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (x) Rayonier and SpinCo have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; and (xi) a reference to any Person includes such Person’s successors and permitted assigns.

Section 10.11. Counterparts. This Agreement may be executed in one or more counterparts each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

Section 10.12. Coordination with Separation and Distribution Agreement. In the event of any inconsistency between this Agreement and the Separation and Distribution Agreement (or any Ancillary Agreement) with respect to matters addressed herein the provisions of this Agreement shall control (except to the extent set forth in Article X).

Section 10.13. Coordination with the Employee Matters Agreement. To the extent any covenants or agreements between the Parties with respect to employee withholding Taxes are expressly set forth in the Employee Matters Agreement, such Taxes shall be governed exclusively by the Employee Matters Agreement and not by this Agreement.

Section 10.14. Expenses. Except as otherwise expressly set forth in this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all costs and expenses incurred on or prior to the Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement and any Ancillary Agreement, the Separation, the Registration Statement, the plan of Separation and the Distribution and the consummation of the transactions contemplated hereby and thereby will be borne one third (1/3) by Rayonier and two thirds (2/3) by SpinCo.

Section 10.15. Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 10.16. Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party hereto; provided, however, that each Party may assign all of its rights and obligations under this Agreement to any of its Subsidiaries; provided, further, that no such assignment shall release the assigning Party from any of its liabilities or obligations under this Agreement. Notwithstanding the foregoing, no consent for assignment shall be required for the assignment of a Party's rights and obligations under this Agreement, the Separation and Distribution Agreement and all other Ancillary Agreements in whole (*i.e.*, the assignment of a party's rights and obligations under this Agreement and all Ancillary Agreements all at the same time) in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant Party by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any of its Subsidiaries from being party to or undertaking a transaction that would result in a change of control.

Section 10.17. Notices. Any notice, demand, claim or other communication under this Agreement will be in writing and will be deemed to have been given (a) on delivery if delivered personally; or (b) on the date on which delivery thereof is guaranteed by the carrier if delivered by a national courier guaranteeing delivery with an fixed number of days of sending, but only if addressed to the Parties in the following manner at the following addresses (or at the other address as a Party may specify by notice to the others):

If to Rayonier, to:

Rayonier Inc.
225 Water St., Suite 1400
Jacksonville, FL 32202
Attention: General Counsel

and

Rayonier Inc.
225 Water St., Suite 1400
Jacksonville, FL 32202
Attention: Chief Financial Officer

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Joshua M. Holmes
Facsimile: (212) 403-2000

If to TRS, to:

Rayonier TRS Holdings Inc.
225 Water St., Suite 1400
Jacksonville, FL 32202
Attention: General Counsel

and

Rayonier TRS Holdings Inc.
225 Water St., Suite 1400
Jacksonville, FL 32202
Attention: Chief Financial Officer

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Joshua M. Holmes
Facsimile: (212) 403-2000

If to SpinCo, to:

Rayonier Advanced Materials Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: General Counsel

and

Rayonier Advanced Materials Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: Chief Financial Officer

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Joshua M. Holmes

Facsimile: (212) 403-2000

If to Products, to:

Rayonier A.M. Products Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: General Counsel

and

Rayonier A.M. Products Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: Chief Financial Officer

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Joshua M. Holmes
Facsimile: (212) 403-2000

Section 10.18. Effective Date. This Agreement shall become effective only upon the occurrence of the Distribution.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

RAYONIER INC.

By /s/ H. Edwin Kiker
Name: H. Edwin Kiker
Title: Senior Vice President and Chief Financial Officer

RAYONIER ADVANCED MATERIALS INC.

By /s/ Paul G. Boynton
Name: Paul G. Boynton
Title: President and Chief Executive Officer

RAYONIER TRS HOLDINGS INC.

By /s/ Paul G. Boynton
Name: Paul G. Boynton
Title: President and Chief Executive Officer

RAYONIER A.M. PRODUCTS INC.

By /s/ Paul G. Boynton
Name: Paul G. Boynton
Title: President

[Signature Page to Tax Matters Agreement]

EMPLOYEE MATTERS AGREEMENT
BY AND BETWEEN
RAYONIER INC.
AND
RAYONIER ADVANCED MATERIALS INC.
DATED AS OF June 27, 2014

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EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT, dated as of June 27, 2014 (this "Agreement"), is by and between Rayonier Inc., a North Carolina corporation ("Rayonier"), and Rayonier Advanced Materials Inc., a Delaware corporation ("SpinCo").

R E C I T A L S:

WHEREAS, the board of directors of Rayonier (the "Rayonier Board") has determined that it is in the best interests of Rayonier and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Rayonier Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Rayonier Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Rayonier Shares on the Record Date of all the outstanding SpinCo Shares owned by Rayonier (the "Distribution");

WHEREAS, in order to effectuate the Separation and Distribution, Rayonier and SpinCo have entered into a Separation and Distribution Agreement, dated as of May 28, 2014 (the "Separation and Distribution Agreement"); and

WHEREAS, in addition to the matters addressed by the Separation and Distribution Agreement, the Parties desire to enter into this Agreement to set forth the terms and conditions of certain employment, compensation and benefit matters.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings ascribed to them in the Separation and Distribution Agreement.

"Action" shall have the meaning set forth in the Separation and Distribution Agreement.

"Adjusted SpinCo Stock Value" shall mean the product obtained by multiplying (i) the SpinCo Stock Value and (ii) the Distribution Ratio.

"Affiliate" shall have the meaning set forth in the Separation and Distribution Agreement.

“Agreement” shall have the meaning set forth in the preamble to this Agreement and shall include all Schedules hereto and all amendments, modifications, and changes hereto entered into pursuant to Section 9.17.

“Ancillary Agreement” shall have the meaning set forth in the Separation and Distribution Agreement.

“Assets” shall have the meaning set forth in the Separation and Distribution Agreement.

“Benefit Plan” shall mean any contract, agreement, policy, practice, program, plan, trust, commitment or arrangement providing for benefits, perquisites or compensation of any nature from an employer to any Employee, or to any family member, dependent, or beneficiary of any such Employee, including pension plans, thrift plans, supplemental pension plans and welfare plans, and contracts, agreements, policies, practices, programs, plans, trusts, commitments and arrangements providing for terms of employment, fringe benefits, severance benefits, change in control protections or benefits, travel and accident, life, accidental death and dismemberment, disability and accident insurance, tuition reimbursement, travel reimbursement, vacation, sick, personal or bereavement days, leaves of absences and holidays; provided, however, the term “Benefit Plan” does not include any government-sponsored benefits, such as workers’ compensation, unemployment or any similar plans, programs or policies.

“COBRA” shall mean the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Section 601 *et seq.* of ERISA and at Section 4980B of the Code.

“Code” shall have the meaning set forth in the Separation and Distribution Agreement.

“Corporate Bonus Continuation Period” shall mean a period of time commencing as of the Distribution Date and ending on the earlier of December 31, 2015 and the first regularly scheduled meeting of SpinCo shareholders occurring more than 12 months after the Distribution Date.

“Directors’ Charitable Award Program” shall mean the Rayonier Director’s Charitable Award Program, as amended January 1, 1997.

“Distribution” shall have the meaning set forth in the recitals to this Agreement.

“Distribution Date” shall have the meaning set forth in the Separation and Distribution Agreement.

“Distribution Ratio” shall have the meaning set forth in the Separation and Distribution Agreement.

“Effective Time” shall have the meaning set forth in the Separation and Distribution Agreement.

“Employee” shall mean any Rayonier Group Employee or SpinCo Group Employee.

“ERISA” shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“Exchange Act” shall have the meaning set forth in the Separation and Distribution Agreement.

“FICA” shall have the meaning set forth in Section 3.01(e).

“Force Majeure” shall have the meaning set forth in the Separation and Distribution Agreement.

“Former Employees” shall mean Former Rayonier Group Employees and Former SpinCo Group Employees.

“Former Rayonier Group Employee” shall mean any individual who is a former employee of the Rayonier Group as of the Effective Time and who is not a Former SpinCo Group Employee.

“Former SpinCo Group Employee” shall mean (i) any individual identified as a Former SpinCo Group Employee on the list previously prepared by Rayonier, dated June 2, 2014, (ii) any individual who is a former employee of Rayonier or any of its former Subsidiaries or Subsidiaries as of the Effective Time, in each case, whose most recent employment with Rayonier was with a member of the SpinCo Group or the SpinCo Business, and (iii) any individual who is a former employee of the Southern Wood Piedmont Company and who as of immediately prior to the Effective Time is not an employee of Rayonier or its Subsidiaries.

“FUTA” shall have the meaning set forth in Section 3.01(e).

“General Continuation Period” shall mean a period of time commencing as of the Distribution Date and ending on December 31, 2015.

“Governmental Authority” shall have the meaning set forth in the Separation and Distribution Agreement.

“HIPAA” shall mean the U.S. Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder.

“Individual Agreement” shall mean any individual (i) employment contract, (ii) retention, severance or change of control agreement, (iii) expatriate (including any international assignee) contract or agreement (including agreements and obligations regarding repatriation, relocation, equalization of taxes and living standards in the host country), or (iv) other agreement containing restrictive covenants (including confidentiality, non-competition and non-solicitation provisions) between a member of the Rayonier Group and a SpinCo Group Employee, as in effect immediately prior to the Effective Time.

“IRS” shall have the meaning set forth in the Separation and Distribution Agreement.

“Law” shall have the meaning set forth in the Separation and Distribution Agreement.

“Liabilities” shall have the meaning set forth in the Separation and Distribution Agreement.

“NYSE” shall have the meaning set forth in the Separation and Distribution Agreement.

“Party” shall mean a party to this Agreement.

“Person” shall have the meaning set forth in the Separation and Distribution Agreement.

“Post-Separation Rayonier Awards” shall mean Post-Separation Rayonier Options, Post-Separation Rayonier Restricted Stock Awards, Post-Separation Rayonier Performance Share Awards and Post-Separation Rayonier Time-Vested Awards, collectively.

“Post-Separation Rayonier Option” shall mean a Rayonier Option adjusted as of the Effective Time in accordance with Section 4.02(b).

“Post-Separation Rayonier Performance Share Award” shall mean a Rayonier Performance Share Award adjusted as of the Effective Time in accordance with Section 4.02(c).

“Post-Separation Rayonier Restricted Stock Award” shall mean a Rayonier Restricted Stock Award adjusted as of the Effective Time in accordance with Section 4.02(a).

“Post-Separation Rayonier Stock Value” shall mean the simple average of the volume weighted average per-share price of Rayonier Shares trading on the NYSE during each of the first ten (10) full Trading Sessions immediately after the Effective Time.

“Post-Separation Rayonier Time-Vested Award” shall mean a time-vested equity award granted as of the Effective Time pursuant to a Rayonier Equity Plan in accordance with Section 4.02(c)(ii)(A).

“Providing Party” shall have the meaning set forth in Section 2.02(b).

“QDRO” shall mean a qualified domestic relations order within the meaning of Section 206(d) of ERISA and Section 414(p) of the Code.

“Rayonier” shall have the meaning set forth in the preamble to this Agreement.

“Rayonier Awards” shall mean Rayonier Options, Rayonier Restricted Stock Awards and Rayonier Performance Share Awards, collectively.

“Rayonier Benefit Plan” shall mean any Benefit Plan established, sponsored or maintained by Rayonier or any of its Subsidiaries immediately prior to the Effective Time, excluding any SpinCo Benefit Plan.

“Rayonier Board” shall have the meaning set forth in the recitals to this Agreement.

“Rayonier Business” shall have the meaning set forth in the Separation and Distribution Agreement.

“Rayonier Change of Control” shall have the meaning set forth in Section 4.02(d).

“Rayonier Compensation Committee” shall mean the Compensation Committee of the Rayonier Board.

“Rayonier Equity Plan” shall mean any equity compensation plan sponsored or maintained by Rayonier immediately prior to the Effective Time, including the Rayonier Incentive Stock Plan, as amended, and the 1994 Rayonier Incentive Stock Plan, as amended.

“Rayonier Group” shall have the meaning set forth in the Separation and Distribution Agreement.

“Rayonier Group Employees” shall have the meaning set forth in Section 3.01(a).

“Rayonier HSA” shall have the meaning set forth in Section 7.01(c).

“Rayonier Liability” shall have the meaning set forth in the Separation and Distribution Agreement.

“Rayonier Non-Equity Incentive Plan” shall mean the Rayonier Non-Equity Incentive Plan as in effect immediately prior to the Effective Time.

“Rayonier Nonqualified Plans” shall mean the Rayonier Excess Benefit Plan and the Rayonier Excess Savings and Deferred Compensation Plan.

“Rayonier Option” shall mean an option to purchase Rayonier Shares granted pursuant to a Rayonier Equity Plan that is outstanding as of immediately prior to the Effective Time.

“Rayonier Pension Plan” shall mean the Retirement Plan for Salaried Employees of Rayonier Inc.

“Rayonier Pension Trust” shall mean the Rayonier Inc. Master Retirement Trust.

“Rayonier Performance Share Award” shall mean a performance share award granted pursuant to the Rayonier Incentive Stock Plan and a Performance Share Award Program thereunder that is outstanding as of immediately prior to the Effective Time.

“Rayonier Ratio” shall mean the quotient obtained by dividing the Rayonier Stock Value by the Post-Separation Rayonier Stock Value.

“Rayonier Restricted Stock Award” shall mean a restricted stock award granted pursuant to a Rayonier Equity Plan that is outstanding as of immediately prior to the Effective Time.

“Rayonier Savings Plan” shall mean the Rayonier Investment and Savings Plan for Salaried Employees.

“Rayonier Share Fund” shall have the meaning set forth in Section 5.03(b).

“Rayonier Shares” shall have the meaning set forth in the Separation and Distribution Agreement.

“Rayonier Stock Value” shall mean the simple average of the volume weighted average per-share price of Rayonier Shares trading “regular way with due bills” on the NYSE during each of the last ten (10) full Trading Sessions immediately prior to the Effective Time.

“Rayonier Value Factor” shall mean the quotient obtained by dividing (i) the Rayonier Stock Value by (ii) the sum of (A) the Adjusted SpinCo Stock Value and (B) the Post-Separation Rayonier Stock Value.

“Rayonier Welfare Plan” shall mean any Welfare Plan established, sponsored, maintained or contributed to by Rayonier or any of its Subsidiaries for the benefit of Employees or Former Employees, including each Welfare Plan listed on Schedule 1.01(c) but excluding the Rayonier Executive Severance Pay Plan and any SpinCo Welfare Plan.

“Record Date” shall have the meaning set forth in the Separation and Distribution Agreement.

“Requesting Party” shall have the meaning set forth in Section 2.02(b).

“Securities Act” shall mean the U.S. Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

“Separation” shall have the meaning set forth in the recitals to this Agreement.

“Separation and Distribution Agreement” shall have the meaning set forth in the recitals to this Agreement.

“SpinCo” shall have the meaning set forth in the preamble to this Agreement.

“SpinCo Awards” shall mean SpinCo Options, SpinCo Restricted Stock Awards, SpinCo Performance Share Awards and SpinCo Time-Vested Awards, collectively.

“SpinCo Benefit Plan” shall mean any Benefit Plan established, sponsored, maintained or contributed to by a member of the SpinCo Group as of or after the Effective Time, including any SpinCo Retained Plan.

“SpinCo Board” shall mean the Board of Directors of SpinCo.

“SpinCo Business” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Change of Control” shall have the meaning set forth in Section 4.02(d).

“SpinCo Compensation Committee” shall mean the Compensation Committee of the SpinCo Board.

“SpinCo Designees” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Equity Plan” shall mean the SpinCo 2014 Equity Incentive Plan.

“SpinCo Group” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Group Employees” shall have the meaning set forth in Section 3.01(a).

“SpinCo HSA” shall have the meaning set forth in Section 7.01(c).

“SpinCo Liability” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Non-Equity Incentive Plan” shall mean the SpinCo Non-Equity Incentive Plan established pursuant to Section 4.03(a).

“SpinCo Nonqualified Plan” shall mean the SpinCo Excess Benefit Plan and the SpinCo Excess Savings and Deferred Compensation Plan, collectively.

“SpinCo Option” shall mean an option to purchase SpinCo Shares granted by SpinCo pursuant to the SpinCo Equity Plan in accordance with Section 4.02(b).

“SpinCo Outside Directors’ Compensation Program” shall mean the SpinCo Outside Directors’ Compensation Program established pursuant to Section 4.05(a).

“SpinCo Pension Plan” shall mean the Retirement Plan for Salaried Employees of SpinCo Inc.

“SpinCo Pension Trust” shall have the meaning set forth in Section 5.01(a).

“SpinCo Performance Share Award” shall mean a performance share award granted pursuant to the SpinCo Equity Plan and a SpinCo Performance Share Award Program thereunder in accordance with Section 4.02(c).

“SpinCo Ratio” shall mean the quotient obtained by dividing the Rayonier Stock Value by the SpinCo Stock Value.

“SpinCo Restricted Stock Award” shall mean a restricted stock award granted pursuant to the SpinCo Equity Plan in accordance with Section 4.02(a).

“SpinCo Retained Bonus Plans” shall have the meaning set forth in Section 4.03(b).

“SpinCo Retained Pension Plans” shall have the meaning set forth in Section 5.02.

“SpinCo Retained Plan” means a SpinCo Retained Bonus Plan, SpinCo Retained Pension Plan, SpinCo Retained Savings Plan or SpinCo Retained Welfare Plan.

“SpinCo Retained Savings Plans” shall have the meaning set forth in Section 5.04.

“SpinCo Retained Welfare Plans” shall have the meaning set forth in Section 7.08.

“SpinCo Savings Plan” shall mean the SpinCo Investment and Savings Plan for Salaried Employees.

“SpinCo Share Fund” shall have the meaning set forth in Section 5.03(c).

“SpinCo Shares” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Stock Value” shall mean the simple average of the volume weighted average per-share price of SpinCo Shares trading on the NYSE during each of the first ten (10) full Trading Sessions immediately after the Effective Time.

“SpinCo Time-Vested Award” shall mean a time-vested equity award granted pursuant to the SpinCo Equity Plan in accordance with Section 4.02(c)(ii) (B).

“SpinCo Value Factor” shall mean the quotient obtained by dividing (i) the Rayonier Stock Value by (ii) the sum of (A) the SpinCo Stock Value and (B) the quotient obtained by dividing the Post-Separation Rayonier Stock Value by the Distribution Ratio.

“SpinCo Welfare Plans” shall mean the Welfare Plans established, sponsored, maintained or contributed to by any member of the SpinCo Group for the benefit of SpinCo Group Employees and Former SpinCo Group Employees, including any SpinCo Retained Welfare Plans.

“Subsidiary” shall have the meaning set forth in the Separation and Distribution Agreement.

“Third Party” shall have the meaning set forth in the Separation and Distribution Agreement.

“Trading Session” shall mean the period of time during any given calendar day, commencing with the determination of the opening price on the NYSE and ending with the determination of the closing price on the NYSE, in which trading in Rayonier Shares or SpinCo Shares (as applicable) is permitted on the NYSE.

“Transferred Account Balances” shall have the meaning set forth in Section 7.01(d).

“Transferred Director” shall have the meaning set forth in Section 4.05(a).

“Transition Services Agreement” shall have the meaning set forth in the Separation and Distribution Agreement.

“U.S.” shall mean the United States of America.

“Welfare Benefit Continuation Period” shall mean a period of time commencing as of the Distribution Date and ending on December 31, 2014.

“Welfare Plan” shall mean any “welfare plan” (as defined in Section 3(1) of ERISA) or a “cafeteria plan” under Section 125 of the Code, and any benefits offered thereunder, and any other plan offering health benefits (including medical, prescription drug, dental, vision, mental health, substance abuse and retiree health), disability benefits, or life, accidental death and dismemberment, and business travel insurance, pre-tax premium conversion benefits, dependent care assistance programs, employee assistance programs, paid time-off programs, contribution funding toward a health savings account, flexible spending accounts or cashable credits.

Section 1.02. Interpretation. Section 10.16 of the Separation and Distribution Agreement is hereby incorporated by reference.

ARTICLE II GENERAL PRINCIPLES FOR ALLOCATION OF LIABILITIES

Section 2.01. General Principles.

(a) *Acceptance and Assumption of SpinCo Liabilities*. On or prior to the Effective Time, but in any case prior to the Distribution, SpinCo and the applicable SpinCo Designees shall accept, assume and agree to faithfully perform, discharge and fulfill all of the following Liabilities in accordance with their respective terms (each of which shall be considered a SpinCo Liability), regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such Liabilities are asserted or determined (including any Liabilities arising out of claims made by Rayonier’s or SpinCo’s respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates against any member of the Rayonier Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Rayonier Group or the SpinCo Group, or any of their respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates:

(i) any and all wages, salaries, incentive compensation (as the same may be modified by this Agreement), equity compensation (as the same may be modified by this Agreement), commissions, bonuses and any other employee compensation or benefits payable to or on behalf of any SpinCo Group Employees and Former SpinCo Group Employees after the Effective Time, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses or other employee compensation or benefits are or may have been awarded or earned;

(ii) any and all Liabilities whatsoever with respect to claims made by or with respect to any SpinCo Group Employees or Former SpinCo Group Employees in connection with any Benefit Plan not retained or assumed by any member of the Rayonier Group pursuant to this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement; and

(iii) any and all Liabilities expressly assumed or retained by any member of the SpinCo Group pursuant to this Agreement.

(b) *Acceptance and Assumption of Rayonier Liabilities.* On or prior to the Effective Time, but in any case prior to the Distribution, Rayonier and certain members of the Rayonier Group designated by Rayonier shall accept, assume and agree to faithfully perform, discharge and fulfill all of the following Liabilities held by SpinCo or any SpinCo Designee and Rayonier and the applicable members of the Rayonier Group shall be responsible for such Liabilities in accordance with their respective terms (each of which shall be considered a Rayonier Liability), regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such Liabilities are asserted or determined (including any Liabilities arising out of claims made by Rayonier's or SpinCo's respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates against any member of the Rayonier Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Rayonier Group or the SpinCo Group, or any of their respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates:

(i) any and all wages, salaries, incentive compensation (as the same may be modified by this Agreement), equity compensation (as the same may be modified by this Agreement), commissions, bonuses and any other employee compensation or benefits payable to or on behalf of any Rayonier Group Employees and Former Rayonier Group Employees after the Effective Time, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses or other employee compensation or benefits are or may have been awarded or earned;

(ii) any and all Liabilities whatsoever with respect to claims made by or with respect to any Rayonier Group Employees or Former Rayonier Group Employees in connection with any Benefit Plan not retained or assumed by any member of the SpinCo Group pursuant to this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement; and

(iii) any and all Liabilities expressly assumed or retained by any member of the Rayonier Group pursuant to this Agreement.

(c) *Unaddressed Liabilities.* To the extent that this Agreement does not address particular Liabilities under any Benefit Plan and the Parties later determine that they should be allocated in connection with the Distribution, the Parties shall agree in good faith on the allocation, taking into account the handling of comparable Liabilities under this Agreement.

Section 2.02. Service Credit.

(a) *Service for Eligibility, Vesting and Benefit Purposes.* The SpinCo Benefit Plans shall, and SpinCo shall cause each member of the SpinCo Group to, recognize each SpinCo Group Employee's and each Former SpinCo Group Employee's full service with Rayonier or any of its Subsidiaries or predecessor entities at or before the Effective Time, to the same extent that such service was credited by Rayonier for similar purposes prior to the Effective Time as if such full service had been performed for a member of the SpinCo Group, for purposes of eligibility, vesting and determination of level of benefits under any such SpinCo Benefit Plan.

(b) *Evidence of Prior Service.* Notwithstanding anything in this Agreement to the contrary, but subject to Section 3.02 and applicable Law, upon reasonable request by either Party (the "Requesting Party"), the other Party (the "Providing Party") will provide to the Requesting Party copies of any records available to the Providing Party to document the service, plan participation and membership of former Employees of the Providing Party who are then Employees of the Requesting Party, and will cooperate with the Requesting Party to resolve any discrepancies or obtain any missing data for purposes of determining benefit eligibility, participation, vesting and calculation of benefits with respect to any such Employee.

Section 2.03. Benefit Plans.

(a) *Establishment of Plans.* Before the Effective Time, SpinCo shall, or shall cause an applicable member of the SpinCo Group to, adopt Benefit Plans (and related trusts, if applicable), with terms comparable (or such other standard as is specified in this Agreement with respect to any particular Benefit Plan) to those of the corresponding Rayonier Benefit Plans, including in particular those listed on Schedule 2.03(a); provided, however, that SpinCo may limit participation in any such SpinCo Benefit Plan to SpinCo Group Employees and Former SpinCo Group Employees who participated in the corresponding Rayonier Benefit Plan immediately prior to the Effective Time.

(b) *Information and Operation.* Rayonier shall provide SpinCo with information describing each Rayonier Benefit Plan election made by a SpinCo Group Employee or Former SpinCo Group Employee that may have application to SpinCo Benefit Plans from and after the Effective Time, and SpinCo shall use its commercially reasonable efforts to administer the SpinCo Benefit Plans using those elections. Each Party shall, upon reasonable request, provide the other Party and the other Party's respective Affiliates, agents, and vendors all information reasonably necessary to the other Party's operation or administration of its Benefit Plans.

(c) *No Duplication or Acceleration of Benefits.* Notwithstanding anything to the contrary in this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement, no participant in any SpinCo Benefit Plan shall receive service credit or benefits to the extent that receipt of such service credit or benefits would result in duplication of benefits provided to such participant by the corresponding Rayonier Benefit Plan or any other plan, program or arrangement sponsored or maintained by a member of the Rayonier Group. Furthermore, unless expressly provided for in this Agreement, the Separation and Distribution Agreement or in any Ancillary Agreement or required by applicable Law, no provision in this Agreement shall be construed to create any right to accelerate vesting or entitlements under any compensation or

Benefit Plan, program or arrangement sponsored or maintained by a member of the Rayonier Group or member of the SpinCo Group on the part of any Employee or Former Employee.

(d) *No Expansion of Participation.* Unless otherwise expressly provided in this Agreement, as otherwise determined or agreed to by Rayonier and SpinCo, as required by applicable Law, or as explicitly set forth in a SpinCo Benefit Plan, a SpinCo Group Employee or Former SpinCo Group Employee shall be entitled to participate in the SpinCo Benefit Plans at the Effective Time only to the extent that such SpinCo Group Employee or Former SpinCo Group Employee was entitled to participate in the corresponding Rayonier Benefit Plan as in effect immediately prior to the Effective Time (to the extent that such SpinCo Group Employee or Former SpinCo Group Employee does not participate in the respective SpinCo Benefit Plan immediately prior to the Effective Time), it being understood that this Agreement does not expand (i) the number of SpinCo Group Employees or Former SpinCo Group Employees entitled to participate in any SpinCo Benefit Plan or (ii) the participation rights of SpinCo Group Employees or Former SpinCo Group Employees in any SpinCo Benefit Plans beyond the rights of such SpinCo Group Employees or Former SpinCo Group Employees under the corresponding Rayonier Benefit Plans, in each case, after the Effective Time.

(e) *Transition Services.* The Parties acknowledge that the Rayonier Group or the SpinCo Group may provide administrative services for certain of the other Party's compensation and benefit programs for a transitional period under the terms of the Transition Services Agreement. The Parties agree to enter into a business associate agreement (if required by HIPAA or other applicable health information privacy Laws) in connection with such Transition Services Agreement.

(f) *Beneficiaries.* References to Rayonier Group Employees, Former Rayonier Group Employees, SpinCo Group Employees, Former SpinCo Group Employees, and non-employee directors of either Rayonier or SpinCo (including Transferred Directors), shall be deemed to refer to their beneficiaries, dependents, survivors and alternate payees, as applicable.

Section 2.04. Individual Agreements.

(a) *Assignment by Rayonier.* To the extent necessary, Rayonier shall assign, or cause an applicable member of the Rayonier Group to assign, to SpinCo or another member of the SpinCo Group, as designated by SpinCo, all Individual Agreements, with such assignment to be effective as of the Effective Time; provided, however, that to the extent that assignment of any such Individual Agreement is not permitted by the terms of such agreement or by applicable Law, effective as of the Effective Time, each member of the SpinCo Group shall be considered to be a successor to each member of the Rayonier Group for purposes of, and a third-party beneficiary with respect to, such Individual Agreement, such that each member of the SpinCo Group shall enjoy all of the rights and benefits under such agreement (including rights and benefits as a third-party beneficiary), with respect to the business operations of the SpinCo Group; provided, further, that in no event shall Rayonier be permitted to enforce any Individual Agreement (including any agreement containing non-competition or non-solicitation covenants) against a SpinCo Group Employee or Former SpinCo Group Employee for action taken in such individual's capacity as a SpinCo Group Employee or Former SpinCo Group Employee.

(b) *Assumption by SpinCo*. Effective as of the Effective Time, SpinCo will assume and honor, or will cause a member of the SpinCo Group to assume and honor, any individual agreement to which any SpinCo Group Employee or Former SpinCo Group Employee is a party with any member of the Rayonier Group, including any Individual Agreement.

Section 2.05. Collective Bargaining. Effective no later than immediately prior to the Effective Time, to the extent necessary, SpinCo shall cause the appropriate member of the SpinCo Group to (a) assume all collective bargaining agreements (including any national, sector or local collective bargaining agreement) that cover SpinCo Group Employees or Former SpinCo Group Employees and the Liabilities arising under any such collective bargaining agreements, and (b) join any industrial, employer or similar association or federation if membership is required for the relevant collective bargaining agreement to continue to apply.

Section 2.06. Non-U.S. Regulatory Compliance. Rayonier shall have the authority to adjust the treatment described in this Agreement with respect to SpinCo Group Employees who are located outside of the United States in order to ensure compliance with the applicable laws or regulations of countries outside of the United States or to preserve the tax benefits provided under local tax law or regulation before the Distribution.

ARTICLE III ASSIGNMENT OF EMPLOYEES

Section 3.01. Active Employees.

(a) *Assignment and Transfer of Employees*. Effective no later than immediately prior to the Effective Time and except as otherwise agreed by the Parties, (i) the applicable member of the Rayonier Group shall have taken such actions as are necessary to ensure that each individual who is intended to be an employee of the SpinCo Group as of immediately after the Effective Time (including any such individual who is not actively working as of the Effective Time as a result of an illness, injury or leave of absence approved by the Rayonier Human Resources department or otherwise taken in accordance with applicable Law) (collectively, the "SpinCo Group Employees") is employed by a member of the SpinCo Group as of immediately after the Effective Time, and (ii) the applicable member of the Rayonier Group shall have taken such actions as are necessary to ensure that each individual who is intended to be an employee of the Rayonier Group as of immediately after the Effective Time (including any such individual who is not actively working as of the Effective Time as a result of an illness, injury or leave of absence approved by the Rayonier Human Resources department or otherwise taken in accordance with applicable Law) and any other individual employed by the Rayonier Group as of the Effective Time who is not a SpinCo Group Employee (collectively, the "Rayonier Group Employees") is employed by a member of the Rayonier Group as of immediately after the Effective Time. Each of the Parties agrees to execute, and to seek to have the applicable Employees execute, such documentation, if any, as may be necessary to reflect such assignment and/or transfer.

(b) *At-Will Status*. Nothing in this Agreement shall create any obligation on the part of any member of the Rayonier Group or any member of the SpinCo Group to (i) continue the employment of any Employee or permit the return from a leave of absence for any period after the

date of this Agreement (except as required by applicable Law) or (ii) change the employment status of any Employee from “at-will,” to the extent that such Employee is an “at-will” employee under applicable Law.

(c) *Severance*. The Parties acknowledge and agree that the Distribution and the assignment, transfer or continuation of the employment of Employees as contemplated by this Section 3.01 shall not be deemed an involuntary termination of employment entitling any SpinCo Group Employee or Rayonier Group Employee to severance payments or benefits.

(d) *Not a Change of Control/Change in Control*. The Parties acknowledge and agree that neither the consummation of the Distribution nor any transaction contemplated by this Agreement, the Separation and Distribution Agreement or any other Ancillary Agreement shall be deemed a “change of control,” “change in control,” or term of similar import for purposes of any Benefit Plan sponsored or maintained by any member of the Rayonier Group or member of the SpinCo Group.

(e) *Payroll and Related Taxes*. With respect to any SpinCo Group Employee or group of SpinCo Group Employees, the Parties shall, or shall cause their respective Subsidiaries to, (i) treat SpinCo (or the applicable member of the SpinCo Group) as a “successor employer” and Rayonier (or the applicable member of the Rayonier Group) as a “predecessor,” within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, for purposes of taxes imposed under the United States Federal Insurance Contributions Act, as amended (“FICA”), or the United States Federal Unemployment Tax Act, as amended (“FUTA”), (ii) cooperate with each other to avoid, to the extent possible, the restart of FICA and FUTA upon or following the Effective Time with respect to each such SpinCo Group Employee for the tax year during which the Effective Time occurs, and (iii) use commercially reasonable efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53; provided, however, that, to the extent that SpinCo (or the applicable member of the SpinCo Group) cannot be treated as a “successor employer” to Rayonier (or the applicable member of the Rayonier Group) within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code with respect to any SpinCo Group Employee or group of SpinCo Group Employees, (x) with respect to the portion of the tax year commencing on January 1, 2014 and ending on the Distribution Date, Rayonier will (A) be responsible for all payroll obligations, tax withholding and reporting obligations for such SpinCo Group Employees and (B) furnish a Form W-2 or similar earnings statement to all such SpinCo Group Employees for such period, and (y) with respect to the remaining portion of such tax year, SpinCo will (A) be responsible for all payroll obligations, tax withholding and reporting obligations regarding such SpinCo Group Employees and (B) furnish a Form W-2 or similar earnings statement to all such SpinCo Group Employees.

Section 3.02. No-Hire and Non-Solicitation. Each Party agrees that, for a period of two years from the Distribution Date, such Party shall not hire or solicit for employment any individual who is a Rayonier Group Employee, in the case of SpinCo, or a SpinCo Group Employee, in the case of Rayonier; provided, however, that, without limiting the generality of the foregoing prohibition on solicitation and hiring Employees of the other Party, this Section 3.02 shall not prohibit (a) generalized solicitations that are not directed to specific Persons or Employees of the other Party, (b) the solicitation and hiring of a Person whose employment was involuntarily terminated by the other Party, or (c) the solicitation and hiring of a Person after

receipt by the soliciting Party (in advance of any solicitation or, in the case of a response to a general solicitation as permitted under clause (a) above, in advance of any subsequent solicitation in connection with the recruiting process) of the express written consent of the senior Human Resources executive of the Party that employs the Person who is to be solicited and/or hired. Except as provided in clause (b) above with respect to involuntary terminations, without regard to the use of the term "Employee" or "employs," the restrictions under this Section 3.02 shall be applicable to (i) Rayonier Group Employees whose employment terminates after the Effective Time, and (ii) SpinCo Group Employees whose employment terminates after the Effective Time, in each case, until the date that is six months after such Employee's last date of employment with Rayonier or SpinCo, as applicable. For the avoidance of doubt, the restrictions under this Section 3.02 shall not apply to Former Rayonier Group Employees or Former SpinCo Group Employees whose most recent employment with Rayonier and its Subsidiaries was terminated prior to the Effective Time.

ARTICLE IV
EQUITY, INCENTIVE AND EXECUTIVE COMPENSATION

Section 4.01. Generally. Each Rayonier Award granted that is outstanding as of immediately prior to the Effective Time shall be adjusted as described below; provided, however, that, effective immediately prior to the Effective Time, the Rayonier Compensation Committee may provide for different adjustments with respect to some or all Rayonier Awards to the extent that the Rayonier Compensation Committee deems such adjustments necessary and appropriate. Any adjustments made by the Rayonier Compensation Committee pursuant to the foregoing sentence shall be deemed incorporated by reference herein as if fully set forth below and shall be binding on the Parties and their respective Affiliates. Before the Effective Time, the SpinCo Equity Plan shall be established, with such terms as are necessary to permit the implementation of the provisions of Section 4.02.

Section 4.02. Equity Incentive Awards.

(a) *Restricted Stock*. Each holder of an outstanding Rayonier Restricted Stock Award immediately prior to the Effective Time shall receive, as of the Effective Time, a SpinCo Restricted Stock Award for such number of shares as determined by applying the Distribution Ratio in the same way as if the outstanding Rayonier Restricted Stock Award comprised fully vested Rayonier Shares as of the Effective Time. Except as set forth in this Section 4.02, the Post-Separation Rayonier Restricted Stock Award and the SpinCo Restricted Stock Award issued in accordance with this Section 4.02 both shall be subject to the same terms and conditions (including with respect to vesting) immediately after the Effective Time as were applicable to the Rayonier Restricted Stock Award immediately prior to the Effective Time (except as otherwise provided herein, including in Sections 4.02(d) and (e)).

(b) *Stock Options*. Each Rayonier Option that is outstanding immediately prior to the Effective Time, regardless of by whom held, shall be converted as of the Effective Time into both a Post-Separation Rayonier Option and a SpinCo Option and shall, except as otherwise provided in this Section 4.02, be subject to the same terms and conditions (including with respect to vesting and expiration) after the Effective Time as were applicable to such Rayonier Option

immediately prior to the Effective Time (except as otherwise provided herein, including in Sections 4.02(d) and (e)); provided, however, that from and after the Effective Time:

(i) the number of Rayonier Shares subject to such Post-Separation Rayonier Option, rounded down to the nearest whole share, shall be equal to the product obtained by multiplying (A) the number of Rayonier Shares subject to the corresponding Rayonier Option immediately prior to the Effective Time by (B) the Rayonier Value Factor;

(ii) the number of SpinCo Shares subject to such SpinCo Option, rounded down to the nearest whole share, shall be equal to the product obtained by multiplying (A) the number of Rayonier Shares subject to the corresponding Rayonier Option immediately prior to the Effective Time by (B) the SpinCo Value Factor;

(iii) the per share exercise price of such Post-Separation Rayonier Option, rounded up to the nearest hundredth of a cent, shall be equal to the quotient obtained by dividing (A) the per share exercise price of the corresponding Rayonier Option immediately prior to the Effective Time by (B) the Rayonier Ratio; and

(iv) the per share exercise price of such SpinCo Option, rounded up to the nearest hundredth of a cent, shall be equal to the quotient obtained by dividing (A) the per share exercise price of the corresponding Rayonier Option immediately prior to the Effective Time by (B) the SpinCo Ratio.

Notwithstanding anything to the contrary in this Section 4.02(b), the exercise price, the number of Rayonier Shares and SpinCo Shares subject to each Post-Separation Rayonier Option and SpinCo Option, and the terms and conditions of exercise of such options shall be determined in a manner consistent with the requirements of Section 409A of the Code.

(c) Performance Share Awards.

(i) As of the Effective Time, each Rayonier Performance Share Award granted in 2012 shall be converted into a Post-Separation Rayonier Performance Share Award and a SpinCo Performance Share Award and each such award shall be subject to the same terms and conditions (including with respect to vesting and applicable performance criteria) after the Effective Time as were applicable to such Rayonier Performance Share Award prior to the Effective Time (except as otherwise provided herein, including in Sections 4.02(d) and (e)); provided, however, that:

(A) payment, if any, shall be made in Rayonier Shares (with respect to the Post-Separation Rayonier Performance Share Award) and SpinCo Shares (with respect to the SpinCo Performance Share Award);

(B) the number of shares subject to (1) such Post-Separation Rayonier Performance Share Award shall be equal to the number of Rayonier Shares subject to the corresponding Rayonier Performance Share Award immediately prior to the Effective Time, and (2) such SpinCo Performance Share Award shall be equal to (x) the number of Rayonier Shares subject to the Rayonier Performance Share Award

immediately prior to the Effective Time multiplied by (y) the Distribution Ratio, rounded down to the nearest whole share;

(C) dividends taken into account for purposes of (1) determining the value of dividend equivalent accounts or (2) the reinvestment of dividends in the calculation of total shareholder return, shall be any cash dividends paid on Rayonier Shares during the performance period and any cash dividends paid on SpinCo Shares during the portion of the performance period occurring after the Effective Time;

(D) the stock price at the end of the performance period used to determine stock price appreciation shall be the sum of (1) the closing price per share of Rayonier Shares on the NYSE during the 20 trading days preceding December 31, 2014, and (2) the closing price per share of SpinCo Shares on the NYSE during the 20 trading days preceding December 31, 2014 multiplied by the Distribution Ratio; and

(E) any determination as to the treatment, upon an Employee's retirement, of the Post-Separation Rayonier Performance Share Award and SpinCo Performance Share Award granted to such Employee pursuant to the Rayonier Equity Plan or the SpinCo Equity Plan, as applicable, and this Section 4.02(c)(i), shall be made by the Compensation Committee of the Board of Directors of the Party that directly or indirectly employs such Employee immediately after the Effective Time (Rayonier or SpinCo, as applicable); provided, that any such determination shall apply uniformly to both the Post-Separation Rayonier Performance Share Award and the SpinCo Performance Share Award held by such Employee.

(ii) As of the Effective Time, each Rayonier Performance Share Award granted in 2013 shall be cancelled in its entirety and, with respect to such Rayonier Performance Share Awards held by Rayonier Group Employees and SpinCo Group Employees, replaced as soon as reasonably practicable following the Effective Time (but not later than 90 days following the Effective Time) with a new award as follows:

(A) each Rayonier Performance Share Award granted in 2013 and held by a Rayonier Group Employee immediately prior to the Effective Time shall be replaced with a Post-Separation Rayonier Time-Vested Award. The number of shares subject to such Post-Separation Rayonier Time-Vested Award shall be equal to (1) the fair market value (at the target level of performance) of the corresponding Rayonier Performance Share Award on the date that it was originally granted (as reflected in Rayonier's records), divided by (2) the Post-Separation Rayonier Stock Value. Such Post-Separation Rayonier Time-Vested Award shall vest in full on the second anniversary of the Distribution Date, subject to such Rayonier Group Employee's continued employment with Rayonier through such second anniversary or such earlier date as is provided in the award agreement governing such Post-Separation Rayonier Time-Vested Award or otherwise determined by the Rayonier Compensation Committee following the Effective Time; and

(B) each Rayonier Performance Share Award granted in 2013 and held by a SpinCo Group Employee immediately prior to the Effective Time shall be

replaced with a SpinCo Time-Vested Award. The number of shares subject to such SpinCo Time-Vested Award shall be equal to (1) the fair market value (at the target level of performance) of the corresponding Rayonier Performance Share Award on the date that it was originally granted (as reflected in Rayonier's records), divided by (2) the SpinCo Stock Value. Such SpinCo Time-Vested Award shall vest in full on the second anniversary of the Distribution Date, subject to such SpinCo Group Employee's continued employment with SpinCo through such second anniversary or such earlier date as is provided in the award agreement governing such SpinCo Time-Vested Award or otherwise determined by the SpinCo Compensation Committee following the Effective Time.

(iii) As of the Effective Time, each Rayonier Performance Share Award granted in 2014 shall be cancelled in its entirety and, with respect to such Rayonier Performance Share Awards held by Rayonier Group Employees and SpinCo Group Employees, replaced as soon as reasonably practicable following the Effective Time (but not later than 90 days following the Effective Time) with a new award as follows:

(A) each Rayonier Performance Share Award granted in 2014 and held by a Rayonier Group Employee immediately prior to the Effective Time shall be replaced with a Post-Separation Rayonier Performance Share Award. The number of shares subject to such Post-Separation Rayonier Performance Share Award shall be equal to (1) the fair market value (at the target level of performance) of the corresponding Rayonier Performance Share Award on the date that it was originally granted (as reflected in Rayonier's records), divided by (2) the Post-Separation Rayonier Stock Value. Such Post-Separation Rayonier Performance Share Award shall be subject to such terms and conditions as are determined by the Rayonier Compensation Committee prior to the Distribution Date; provided, that (x) such Post-Separation Rayonier Performance Share Award shall be denominated only in Rayonier Shares (and cash in respect of any dividend equivalents thereon), and (y) the applicable performance period shall end on December 31, 2016; and

(B) each Rayonier Performance Share Award granted in 2014 and held by a SpinCo Group Employee immediately prior to the Effective Time shall be replaced with a SpinCo Performance Share Award. The number of shares subject to such SpinCo Performance Share Award shall be equal to (1) the fair market value (at the target level of performance) of the corresponding Rayonier Performance Share Award on the date that it was originally granted (as reflected in Rayonier's records) divided by (2) the SpinCo Stock Value. Such SpinCo Performance Share Award shall be subject to such terms and conditions as are determined by the SpinCo Compensation Committee; provided, that (x) such SpinCo Performance Share Award shall be in the form of restricted SpinCo Shares (and cash in respect of dividends payable to holders of such restricted SpinCo shares, which may be subject to future vesting requirements as determined by the SpinCo Compensation Committee), and (y) the applicable performance period shall end on December 31, 2016.

(d) *Miscellaneous Award Terms.* With respect to Post-Separation Rayonier Awards and SpinCo Awards, (i) employment with or service to the Rayonier Group shall be treated as employment with and service to SpinCo with respect to SpinCo Awards held by

Rayonier Group Employees or Rayonier non-employee directors, and (ii) employment with or service to the SpinCo Group shall be treated as employment with or service to Rayonier with respect to Post-Separation Rayonier Awards held by SpinCo Group Employees or Transferred Directors. In addition, none of the Separation, the Distribution or any employment transfer described in Section 3.01(a) shall constitute a termination of employment for any Employee for purposes of any Post-Separation Rayonier Award or any SpinCo Award. After the Effective Time, for any award adjusted under this Section 4.02, any reference to a “change in control,” “change of control” or similar definition in an award agreement, employment agreement or Rayonier Equity Plan applicable to such award (A) with respect to Post-Separation Rayonier Awards, shall be deemed to refer to a “change in control,” “change of control” or similar definition as set forth in the applicable award agreement, employment agreement or Rayonier Equity Plan (a “Rayonier Change of Control”), and (B) with respect to SpinCo Awards, shall be deemed to refer to a “Change in Control” as defined in the SpinCo Equity Plan (a “SpinCo Change of Control”). Without limiting the foregoing, with respect to provisions related to vesting of awards, a Rayonier Change of Control shall be treated as a SpinCo Change of Control for purposes of SpinCo Awards held by Rayonier Group Employees, Former Rayonier Group Employees and Rayonier non-employee directors, and a SpinCo Change of Control shall be treated as a Rayonier Change of Control for purposes of Post-Separation Rayonier Awards held by SpinCo Group Employees, Former SpinCo Group Employees and Transferred Directors.

(e) *Equity Plan Restrictive Covenants.* Without limiting the generality of Section 2.04(a), effective as of the Effective Time, to the extent permitted under applicable Law, each member of the SpinCo Group shall be considered to be a successor to each member of the Rayonier Group for purposes of, and a third-party beneficiary with respect to, the restrictive covenants (including non-competition covenants) contained in the Rayonier Equity Plans and award agreements thereunder (only to the extent that such agreements are not assigned to SpinCo in accordance with Section 2.04), such that each member of the SpinCo Group shall enjoy all of the rights and benefits under such arrangements (including rights and benefits as a third-party beneficiary), with respect to the business operations of the SpinCo Group; provided, that from and after the Distribution Date, in no event shall Rayonier or any member of the Rayonier Group be permitted to enforce any restrictive covenant (including non-competition covenants) in the Rayonier Equity Plan or any award agreement thereunder against a SpinCo Group Employee or Former SpinCo Group Employee for action taken in such individual’s capacity as a SpinCo Group Employee or Former SpinCo Group Employee.

(f) *Tax Reporting and Withholding.*

(i) Except as otherwise provided in this Section 4.02(f), after the Effective Time, Post-Separation Rayonier Awards, regardless of by whom held, shall be settled by Rayonier, and SpinCo Awards, regardless of by whom held, shall be settled by SpinCo.

(ii) Upon the vesting of SpinCo Awards, SpinCo shall be solely responsible for ensuring the satisfaction of all applicable tax withholding requirements on behalf of each SpinCo Group Employee or Former SpinCo Group Employee and for ensuring the collection and remittance of employee withholding taxes to the Rayonier Group with respect to each Rayonier Group Employee or Former Rayonier Group Employee (with Rayonier Group being responsible for remittance of the applicable employee taxes and payment and remittance of

the applicable employer taxes relating to Rayonier Group Employees and Former Rayonier Group Employees to the applicable Governmental Authority). Upon the vesting of Post-Separation Rayonier Awards, Rayonier shall be solely responsible for ensuring the satisfaction of all applicable tax withholding requirements on behalf of each Rayonier Group Employee or Former Rayonier Group Employee and for ensuring the collection and remittance of employee withholding taxes to the SpinCo Group with respect to each SpinCo Group Employee or Former SpinCo Group Employee (with SpinCo Group being responsible for remittance of the applicable employee taxes and payment and remittance of the applicable employer taxes relating to SpinCo Group Employees and Former SpinCo Group Employees to the applicable Governmental Authority). Following the Effective Time, Rayonier shall be responsible for all income tax reporting in respect of Post-Separation Rayonier Awards and SpinCo Awards held by Rayonier Group Employees, Former Rayonier Group Employees and individuals who are or were Rayonier non-employee directors, and SpinCo will be responsible for all income tax reporting in respect of Post-Separation Rayonier Awards and SpinCo Awards held by SpinCo Group Employees, Former SpinCo Group Employees and Transferred Directors.

(iii) SpinCo shall be responsible for the settlement of cash dividend equivalents on any Post-Separation Rayonier Awards or SpinCo Awards held by a SpinCo Group Employee, Former SpinCo Group Employee or Transferred Director. Prior to the date any such settlement is due, Rayonier shall pay SpinCo in cash amounts required to settle (A) any dividend equivalents with respect to Post-Separation Rayonier Awards and (B) any dividend equivalents accrued prior to the Effective Time with respect to SpinCo Awards. Rayonier shall be responsible for the settlement of cash dividends equivalents on any Post-Separation Rayonier Awards or SpinCo Awards held by a Rayonier Group Employee, Former Rayonier Group Employee or non-employee director of Rayonier. Prior to the date any such settlement is due, SpinCo shall pay Rayonier in cash amounts required to settle any dividend equivalents accrued following the Effective Time with respect to SpinCo Awards.

(iv) Following the Effective Time, if any Post-Separation Rayonier Award held by a SpinCo Group Employee, Former SpinCo Group Employee or Transferred Director shall fail to become vested, such Post-Separation Rayonier Award shall be forfeited to Rayonier, and if any SpinCo Award held by a Rayonier Group Employee, Former Rayonier Group Employee or non-employee director of Rayonier shall fail to become vested, such SpinCo Award shall be forfeited to SpinCo.

(g) *Cooperation.* Each of the Parties shall establish an appropriate administration system in order to administer, in an orderly manner, (i) exercises of vested Post-Separation Rayonier Options and SpinCo Options, (ii) the vesting and forfeiture of unvested Post-Separation Rayonier Awards and SpinCo Awards, and (iii) the withholding and reporting requirements with respect to all awards. Each of the Parties shall work together to unify and consolidate all indicative data and payroll and employment information on regular timetables and make certain that each applicable Person's data and records in respect of such awards are correct and updated on a timely basis. The foregoing shall include employment status and information required for vesting and forfeiture of awards and tax withholding/remittance, compliance with trading windows and compliance with the requirements of the Exchange Act and other applicable Laws.

(h) *Registration and Other Regulatory Requirements.* SpinCo agrees to file Forms S-1, S-3 and S-8 registration statements with respect to, and to cause to be registered pursuant to the Securities Act, the SpinCo Shares authorized for issuance under the SpinCo Equity Plan, as required pursuant to the Securities Act, before the date of issuance of any SpinCo Shares pursuant to the SpinCo Equity Plan. The Parties shall take such additional actions as are deemed necessary or advisable to effectuate the foregoing provisions of this Section 4.02(h), including compliance with securities Laws and other legal requirements associated with equity compensation awards in affected non-U.S. jurisdictions. Rayonier agrees to facilitate the adoption and approval of the SpinCo Equity Plan consistent with the requirements of Treasury Regulations Section 1.162-27(f)(4)(iii).

Section 4.03. Non-Equity Incentive Plans.

(a) *Corporate Bonus Plans.*

(i) Before the Effective Time, SpinCo shall establish the SpinCo Non-Equity Incentive Plan, which, for not less than the Corporate Bonus Continuation Period, shall have substantially the same terms as of immediately prior to the Effective Time as the Rayonier Non-Equity Incentive Plan with such changes to the applicable performance goals as may be necessary in order to reflect the SpinCo Business following the Separation. Notwithstanding the foregoing, during the Corporate Bonus Continuation Period, SpinCo may make such changes, modifications or amendments to the SpinCo Non-Equity Incentive Plan as may be required by applicable Law or as are necessary and appropriate to reflect the Separation, it being understood that any such changes, modifications or amendments shall not result in bonus award opportunities that are less favorable than those applicable under the Rayonier Non-Equity Incentive Plan to the SpinCo Group Employees who were participants in the Rayonier Non-Equity Incentive Plan immediately prior to the Effective Time.

(ii) In respect of any bonus award opportunities outstanding under the Rayonier Annual Corporate Bonus Program as of immediately prior to the Effective Time, the Performance Period (as such term is defined in the Rayonier Annual Corporate Bonus Program) of such awards shall terminate as of immediately prior to the Effective Time and bonus awards shall be determined as soon as reasonably practicable after the Effective Time and paid in accordance with the terms of the Rayonier Annual Corporate Bonus Program as in effect as of immediately prior to the Effective Time. As of the Effective Time, the Liability in respect of such bonus awards allocable to SpinCo Group Employees (or Former SpinCo Group Employees, as applicable) shall be assumed by the SpinCo Group based on the accrual for such employees as of immediately prior to the Effective Time, and upon the determination of the actual amount of the bonuses for the SpinCo Group Employees (or Former SpinCo Group Employees, as applicable) by Rayonier following the Effective Time, any such additional Liability shall be assumed by the SpinCo Group retroactively effective as of the Effective Time. Rayonier and SpinCo shall pay the amounts awarded to their respective Employees no later than March 15 of the calendar year after the calendar year in which the Effective Time occurs, subject to each such Employee's continued employment with Rayonier or SpinCo (as applicable) through the date that such bonus awards are paid, except as otherwise determined by the Compensation Committee of the Board of Directors of such Employee's employer.

(iii) As soon as practicable after the Effective Time, (A) Rayonier shall grant to Rayonier Group Employees participating in the Rayonier Annual Corporate Bonus Program immediately prior to the Effective Time new bonus award opportunities with a Performance Period commencing as of the Distribution Date and ending as of the last day of the calendar year in which the Effective Time occurs, which awards shall be paid based on the achievement of performance objectives established in accordance with the terms of the Rayonier Annual Corporate Bonus Program, and (B) SpinCo shall grant to SpinCo Group Employees participating in the Rayonier Annual Corporate Bonus Program immediately prior to the Effective Time new bonus award opportunities with a Performance Period commencing as of the Effective Time and ending as of the last day of the calendar year in which the Distribution occurs, which awards shall be paid based on the achievement of performance objectives established in accordance with the terms of the SpinCo Annual Corporate Bonus Program.

(b) *SpinCo Retained Bonus Plans.* As of the Effective Time, the SpinCo Group shall continue to retain (or assume as necessary) each incentive compensation plan listed on Schedule 4.03(b) and any other incentive plan for the exclusive benefit of SpinCo Group Employees and Former SpinCo Group Employees whether or not sponsored by the SpinCo Group (the “SpinCo Retained Bonus Plans”), and, from and after the Effective Time, shall be solely responsible for all Liabilities thereunder; provided, however, that if a portion of the bonus award opportunity outstanding under any SpinCo Retained Bonus Plan as of immediately prior to the Effective Time is based on the achievement of performance goals relating to the Rayonier Group as a whole, the determination of the level of achievement of such performance goals shall be measured based on the performance of the Rayonier Group as of the Effective Time as determined by the Rayonier Compensation Committee.

(c) *Allocation of Liabilities.* Except as otherwise provided in this Agreement, (i) the Rayonier Group shall be solely responsible for funding, paying and discharging all obligations relating to any annual incentive bonus awards under any Rayonier annual incentive plan or other short-term compensation plan with respect to payments earned before, as of or after the Effective Time to Rayonier Group Employees or Former Rayonier Group Employees, and no member of the SpinCo Group shall have any obligations with respect thereto; and (ii) the SpinCo Group shall be solely responsible for funding, paying and discharging all obligations relating to any annual incentive bonus awards under any SpinCo Group annual incentive plan or other short-term incentive compensation plan (including the SpinCo Non-Equity Incentive Plan, the SpinCo Annual Corporate Bonus Plan and any SpinCo Retained Bonus Plan) with respect to payments made after the Effective Time to SpinCo Group Employees or Former SpinCo Group Employees, and no member of the Rayonier Group shall have any obligations with respect thereto.

Section 4.04. Executive Severance Plan and Trust.

(a) *Executive Severance Pay Plan.* Before the Effective Time, SpinCo shall, or shall cause another member of the SpinCo Group to, establish the SpinCo Executive Severance Pay Plan, which, for not less than the General Continuation Period, shall have substantially the same terms as of immediately prior to the Effective Time as the Rayonier Executive Severance Pay Plan. Notwithstanding the foregoing, during the General Continuation Period, SpinCo may make such changes, modifications or amendments to the SpinCo Executive Severance Pay Plan as may be required by applicable Law or as are necessary and appropriate to reflect the Separation, it being

understood that any such changes, modifications or amendments shall not result in benefits that are less favorable than those provided under the Rayonier Executive Severance Pay Plan to the SpinCo Group Employees who were participants in the Rayonier Executive Severance Pay Plan immediately prior to the Effective Time. During the General Continuation Period, the SpinCo Group Employees who participated in the Rayonier Executive Severance Pay Plan immediately prior to the Effective Time shall be eligible to participate in the SpinCo Executive Severance Pay Plan as of the Effective Time at the same level and to the same extent as they had participated in the Rayonier Executive Severance Pay Plan as of immediately prior to the Effective Time.

(b) *Legal Resources and Executive Severance Trusts.* Before the Effective Time, SpinCo shall, or shall cause another member of the SpinCo Group to, adopt the SpinCo Legal Resources Trust and the SpinCo Executive Severance Trust, which, for not less than the General Continuation Period, shall have substantially the same terms and conditions as the Rayonier Legal Resources Trust and the Rayonier Executive Severance Trust, respectively, each as in effect immediately prior to the Effective Time. Notwithstanding the foregoing, during the General Continuation Period, SpinCo may make such changes, modifications or amendments to the SpinCo Legal Resources Trust and SpinCo Executive Severance Trust as may be required by applicable Law or as are necessary and appropriate to reflect the Separation, it being understood that any such changes, modifications or amendments shall not result in benefits that are less favorable than those provided under the Rayonier Legal Resources Trust and the Rayonier Executive Severance Trust, respectively, to the SpinCo Group Employees who were eligible for benefits under the Rayonier Legal Resources Trust and/or the Rayonier Executive Severance Trust immediately prior to the Effective Time. In connection with the establishment by SpinCo of the SpinCo Executive Severance Pay Plan (and the cessation of participation by the SpinCo Group Employees in the Rayonier Executive Severance Pay Plan), as of or before the Effective Time, Rayonier shall, or shall cause the (i) Rayonier Legal Resources Trust to, transfer funds to SpinCo or to the SpinCo Legal Resources Trust in an amount equal to the SpinCo Group's pro rata share (determined based on the aggregate number of named participants in each individual plan who are SpinCo Group Employees divided by the aggregate number of participants in all such plans) of the amount of funds in the Rayonier Legal Resources Trust as of the latest practicable date before the Effective Time, and (ii) Rayonier Executive Severance Trust to transfer funds to SpinCo or to the SpinCo Executive Severance Trust in an amount equal to the SpinCo Group's pro rata share (determined based on the aggregate amount of benefits payable to named participants under the Rayonier Executive Severance Pay Plan immediately prior to the Effective Time who are SpinCo Group Employees divided by the aggregate amount of benefits payable under the Rayonier Executive Severance Pay Plan immediately prior to the Effective Time) of the amount of funds in the Rayonier Executive Severance Trust as of the latest practicable date before the Effective Time. From and after the Effective Time, the SpinCo Group and (A) the SpinCo Legal Resources Trust shall be responsible for all Liabilities relating to SpinCo Group Employees that would have been satisfied by the Rayonier Legal Resources Trust had the Distribution not occurred, and neither any member of the Rayonier Group nor the Rayonier Legal Resources Trust shall have any Liabilities with respect thereto, and (B) the SpinCo Executive Severance Trust shall be responsible for all Liabilities relating to SpinCo Group Employees that would have been satisfied by the Rayonier Executive Severance Trust had the Distribution not occurred, and neither any member of the Rayonier Group nor the Rayonier Executive Severance Trust shall have any Liabilities with respect thereto.

Section 4.05. Director Compensation.

(a) *Establishment of SpinCo Outside Directors' Compensation Plan.* Before the Effective Time, SpinCo shall establish the SpinCo Outside Directors' Compensation Program, including a cash deferral option in accordance with Section 409A of the Code, with substantially the same terms as of immediately prior to the Effective Time as the Rayonier Outside Directors' Compensation Program. Each SpinCo non-employee director as of the Effective Time who served on the Rayonier Board immediately prior to the Effective Time (a "Transferred Director") but who will no longer serve on the Rayonier Board following the Effective Time, and held a deferred cash balance under the Rayonier Outside Directors' Compensation Program immediately prior to the Effective Time, shall, as of the Effective Time, be credited under the SpinCo Outside Directors' Compensation Program with the amount of his or her cash balance under the Rayonier Outside Directors' Compensation Program and shall cease participation in the Rayonier Outside Directors' Compensation Program as of the Effective Time (it being understood that such cessation shall not trigger any distribution of payments or benefits under the program), and, as of the Effective Time, Rayonier shall cease to have any Liability to any such SpinCo non-employee director under the Rayonier Outside Directors' Compensation Program.

(b) *Assumption of Directors' Charitable Award Program.* As of the Effective Time, the SpinCo Group shall assume all Liabilities, and take assignment from Rayonier of any and all Assets, relating to the Directors' Charitable Award Program (including any insurance policies issued in connection with or in respect of the funding of Liabilities under the Directors' Charitable Award Program), and the Rayonier Group shall be relieved of all such Liabilities so long as such assignment of Assets is completed.

(c) *Other Liabilities.* Except as provided in Section 4.05(a) or Section 4.05(b), Rayonier shall retain all other Liabilities and Assets relating to Rayonier non-employee director compensation, including pursuant to the Rayonier Outside Directors' Compensation Program and cash deferral option agreements thereunder.

(d) *Director Compensation.* Rayonier shall be responsible for the payment of any fees for service on the Rayonier Board that are earned at, before, or after the Effective Time, and SpinCo shall not have any responsibility for any such payments. With respect to any SpinCo non-employee director, SpinCo shall be responsible for the payment of any fees for service on the SpinCo Board that are earned at any time after the Effective Time and Rayonier shall not have any responsibility for any such payments. Notwithstanding the foregoing, SpinCo shall commence paying quarterly cash retainers to SpinCo non-employee directors in respect of the quarter in which the Effective Time occurs; provided that (i) if Rayonier has already paid such quarter's cash retainers to Rayonier non-employee directors prior to the Effective Time, then within 30 days after the Distribution Date, SpinCo will pay Rayonier an amount equal to the portion of such payment that is attributable to Transferred Directors' service to SpinCo after the Distribution Date (other than any amount that is subject to a deferral election and is credited or to be credited to any such director's account under the SpinCo Outside Directors' Compensation Program), and (ii) if Rayonier has not yet paid such quarter's cash retainers to Rayonier non-employee directors prior to the Effective Time, then within 30 days after the Distribution Date, Rayonier will pay SpinCo an amount equal to the portion of such payment that is attributable to Transferred Directors' service to

Rayonier on and prior to the Distribution Date. Rayonier Awards held by non-employee directors as of immediately prior to the Effective Time shall be treated as described in Section 4.02.

ARTICLE V
QUALIFIED RETIREMENT PLANS

Section 5.01. SpinCo Pension Plan.

(a) *Establishment of SpinCo Pension Plan.* Before the Effective Time, SpinCo shall establish the SpinCo Pension Plan, which, for not less than the General Continuation Period, shall have substantially the same terms as of immediately prior to the Effective Time as the Rayonier Pension Plan. Notwithstanding the foregoing, for not less than the General Continuation Period, SpinCo may make such changes, modifications or amendments to the SpinCo Pension Plan as may be required by applicable Law or as are necessary and appropriate to reflect the Separation, it being understood that any such changes, modifications or amendments shall not result in benefits that are less favorable than those applicable under the Rayonier Pension Plan to SpinCo Group Employees who were participants in the Rayonier Pension Plan immediately prior to the Effective Time. As soon as practicable after the Effective Time and upon receipt by Rayonier of (i) a copy of the SpinCo Pension Plan; (ii) a copy of certified resolutions of the SpinCo Board (or its authorized committee or other delegate) evidencing adoption of the SpinCo Pension Plan and any related trust(s) (the "SpinCo Pension Trust") and the assumption by the SpinCo Pension Plan of the Liabilities described in Section 5.01(b); and (iii) either (A) a favorable determination letter issued by the IRS with respect to the SpinCo Pension Plan and SpinCo Pension Trust, or (B) an opinion of counsel, which counsel and opinion are reasonably satisfactory to Rayonier, with respect to the qualified status of the SpinCo Pension Plan under Section 401(a) of the Code and the tax-exempt status of the SpinCo Pension Trust under Section 501(a) of the Code, Rayonier shall direct the trustee of the Rayonier Pension Trust to transfer assets of the Rayonier Pension Plan to the SpinCo Pension Trust in the amounts described in Section 5.01(b).

(b) *Assumption of Liabilities; ERISA Section 4044 Transfer.*

(i) *Rayonier Pension Plan.* As of the Effective Time, SpinCo shall cause the SpinCo Pension Plan to assume Liabilities under the Rayonier Pension Plan for SpinCo Group Employees and Former SpinCo Group Employees, and shall cause the SpinCo Pension Trust to accept Assets with respect to such assumed Liabilities (including Assets and Liabilities in respect of beneficiaries and/or alternate payees). The Rayonier Pension Trust shall transfer such Assets to the SpinCo Pension Trust and, upon completion of such Asset transfer, the Rayonier Pension Plan and the Rayonier Group shall be relieved of such Liabilities.

(ii) *Transfer of Assets.* The amount of Assets (whether in cash or kind, as determined by Rayonier) to be transferred from the Rayonier Pension Trust to the SpinCo Pension Trust in respect of the assumption of Liabilities by SpinCo under Section 5.01(b)(i) shall be determined as of the Distribution Date in accordance with, and shall comply with, Section 414(l) of the Code and, to the extent deemed applicable by the Parties, ERISA Section 4044. Assumptions used to determine the value (or amount) of the Assets to be transferred shall be the safe harbor assumptions specified for valuing benefits

in trustee plans under Department of Labor Regulations Section 4044.51-57 and, to the extent not so specified, shall be based on the assumptions used in the annual valuation report to determine minimum funding requirements most recently prepared before the transfer by the actuary for the Rayonier Pension Plan. The transfer amounts described above shall be credited or debited, as applicable, with a pro rata share of the actual investment earnings or losses allocable to the transfer amount for the period between the Distribution Date and an assessment date set by Rayonier that is as close as practicable, taking into account the timing and reporting of valuation of Assets in the Rayonier Pension Trust, to the date upon which Assets equal in value to the transfer amount are actually transferred from the Rayonier Pension Trust to the SpinCo Pension Trust. During the time before such transfer, benefits for SpinCo Group Employees who terminate employment with the SpinCo Group shall be paid from the Rayonier Pension Trust. The ultimate transfer amount shall be reduced by the amount of these benefits and credited or debited by the actual investment earnings or losses from the payment date to the assessment date set by Rayonier above. In addition, during this period, SpinCo will be responsible for a pro rata share of trustee and administration fees attributable to the Assets of the SpinCo Pension Plan that remain in the Rayonier Pension Trust. The entries in the Rayonier Pension Plan funding standard accounts shall be divided between the Rayonier Pension Plan and the SpinCo Pension Plan based on the guidance provided in Revenue Rulings 81-212 and 86-47.

(c) *SpinCo Pension Plan Provisions.* The SpinCo Pension Plan shall provide that:

(i) SpinCo Group Employees and Former SpinCo Group Employees shall (A) be eligible to participate in the SpinCo Pension Plan as of the Effective Time to the extent that they were eligible to participate in the Rayonier Pension Plan as of immediately prior to the Effective Time, and (B) receive credit for vesting, eligibility and benefit service for all service credited for those purposes under the Rayonier Pension Plan as of the Effective Time as if that service had been rendered to SpinCo;

(ii) the compensation paid by the Rayonier Group to a SpinCo Group Employee or Former SpinCo Group Employee that is recognized under the Rayonier Pension Plan as of immediately prior to the Effective Time shall be credited and recognized for all applicable purposes under the SpinCo Pension Plan as though it were compensation from the SpinCo Group;

(iii) the accrued benefit of each SpinCo Group Employee or Former SpinCo Group Employee under the Rayonier Pension Plan as of the Effective Time shall be payable under the SpinCo Pension Plan at the time and in a form that would have been permitted under the Rayonier Pension Plan as in effect as of the Effective Time, with employment by the Rayonier Group before the Effective Time treated as employment by the SpinCo Group under the SpinCo Pension Plan for purposes of determining eligibility for optional forms of benefit, early retirement benefits, or other benefit forms; and

(iv) the SpinCo Pension Plan shall assume and honor the terms of all QDROs in effect under the Rayonier Pension Plan as of immediately prior to the Effective Time with respect to SpinCo Group Employees and Former SpinCo Group Employees.

(d) *Determination Letter Request.* SpinCo shall submit an application to the IRS as soon as practicable after the Effective Time (but no later than the last day of the applicable remedial amendment period as defined in applicable Code provisions) requesting a determination letter regarding the qualified status of the SpinCo Pension Plan under Section 401(a) of the Code and the tax-exempt status of its related trust under Section 501(a) of the Code as of the Distribution Date and shall make any amendments reasonably requested by the IRS to receive such a favorable determination letter.

(e) *Rayonier Pension Plan after Distribution Date.* From and after the Effective Time, (i) the Rayonier Pension Plan shall continue to be responsible for Liabilities in respect of Rayonier Group Employees and Former Rayonier Group Employees, and (ii) no SpinCo Group Employees or Former SpinCo Group Employees shall accrue any benefits under the Rayonier Pension Plan. Without limiting the generality of the foregoing, SpinCo Group Employees or Former SpinCo Group Employees shall cease to be participants in the Rayonier Pension Plan, effective as of the Effective Time.

(f) *Plan Fiduciaries.* For all periods after the Effective Time, the Parties agree that the applicable fiduciaries of each of the Rayonier Pension Plan and the SpinCo Pension Plan, respectively, shall have the authority with respect to the Rayonier Pension Plan and the SpinCo Pension Plan, respectively, to determine the plan investments and such other matters as are within the scope of their duties under ERISA and the terms of the applicable plan documents.

(g) *No Loss of Unvested Benefits; No Distributions.* The transfer of any SpinCo Group Employee's employment to the SpinCo Group will not result in the loss of that SpinCo Group Employee's unvested accrued benefits (if any) under the Rayonier Pension Plan, which benefit Liability shall be assumed under the SpinCo Pension Plan as provided herein. No SpinCo Group Employee shall be entitled to a distribution of his or her benefit under the Rayonier Pension Plan or the SpinCo Pension Plan as a result of such transfer of employment.

Section 5.02. SpinCo Retained Pension Plans. As of the Effective Time, the SpinCo Group shall retain (or assume to the extent necessary) sponsorship of the Jesup Hourly Union Plan and the Fernandina Hourly Union Plan (collectively, the "SpinCo Retained Pension Plans"), and, from and after the Effective Time, all Assets and Liabilities thereunder shall be Assets and Liabilities of the SpinCo Group.

Section 5.03. SpinCo Savings Plan.

(a) *Establishment of Plan.* Before the Effective Time, SpinCo shall establish the SpinCo Savings Plan, which, for not less than the General Continuation Period, shall have substantially the same terms as of immediately prior to the Effective Time as the Rayonier Savings Plan. Notwithstanding the foregoing, during the General Continuation Period, SpinCo may make such changes, modifications or amendments to the SpinCo Savings Plan as may be required by applicable Law or as are necessary and appropriate to reflect the Separation, it being understood

that any such changes, modifications or amendments shall not result in benefits that are less favorable than those applicable under the Rayonier Saving Plan to SpinCo Group Employees who were participants in the Rayonier Savings Plan immediately prior to the Effective Time. Before the Effective Time, SpinCo shall provide Rayonier with (i) a copy of the SpinCo Savings Plan; (ii) a copy of certified resolutions of the SpinCo Board (or its authorized committee or other delegate) evidencing adoption of the SpinCo Savings Plan and the related trust(s) and the assumption by the SpinCo Savings Plan of the Liabilities described in Section 5.03(b); and (iii) either (A) a favorable determination letter issued by the IRS respect to the SpinCo Savings Plan and its related trust or (B) an opinion of counsel, which counsel and opinion are reasonably satisfactory to Rayonier, with respect to the qualified status of the SpinCo Savings Plan under Section 401(a) of the Code and the tax-exempt status of its related trust under Section 501(a) of the Code.

(b) *Transfer of Account Balances.* Not later than 30 days following the Distribution Date (or such later time as mutually agreed by the Parties), Rayonier shall cause the trustee of the Rayonier Savings Plan to transfer from the trust(s) which forms a part of the Rayonier Savings Plan to the trust(s) which forms a part of the SpinCo Savings Plan the account balances of the SpinCo Group Employees and Former SpinCo Group Employees under the Rayonier Savings Plan, determined as of the date of the transfer. Such transfers shall be made in kind, including promissory notes evidencing the transfer of outstanding loans, and, with respect to unitized investments in the Rayonier Inc. Common Stock Fund (the "Rayonier Share Fund"), Rayonier Shares and SpinCo Shares. Any Asset and Liability transfers pursuant to this Section 5.03(b) shall comply in all respects with Sections 414(l) and 411(d)(6) of the Code.

(c) *SpinCo Share Fund in SpinCo Savings Plan.* The SpinCo Savings Plan will provide, effective as of the Effective Time: (i) for the establishment of a share fund for SpinCo Shares (the "SpinCo Share Fund"); (ii) that such SpinCo Share Fund shall receive a transfer of and hold all SpinCo Shares distributed in connection with the Distribution in respect of Rayonier Shares held in Rayonier Savings Plan accounts of SpinCo Group Employees and Former SpinCo Group Employees participating in the Rayonier Savings Plan immediately prior to the Effective Time; and (iii) that, following the Effective Time, contributions made by or on behalf of such participants shall be allocated to the SpinCo Share Fund, if so directed in accordance with the terms of the SpinCo Savings Plan.

(d) *Rayonier Share Fund in SpinCo Savings Plan.* Participants in the SpinCo Savings Plan will be prohibited from increasing their holdings in the Rayonier Share Fund under the SpinCo Savings Plan and may elect to liquidate their holdings in the Rayonier Share Fund and invest those monies in any other investment fund offered under the SpinCo Savings Plan. After the Effective Time and the transfer of the account balances as provided in Section 5.03(b) above, all outstanding investments in the Rayonier Share Fund under the SpinCo Savings Plan shall be liquidated and reinvested in other investment funds offered under the SpinCo Savings Plan, on such dates and in accordance with such procedures as are determined by the administrator and the trustee of the SpinCo Savings Plan.

(e) *SpinCo Share Fund in Rayonier Savings Plan.* SpinCo Shares distributed in connection with the Distribution in respect of Rayonier Shares held in Rayonier Savings Plan accounts of Rayonier Group Employees or Former Rayonier Group Employees who participate in the Rayonier Savings Plan shall be deposited in a SpinCo Share Fund under the Rayonier Savings

Plan, and such participants in the Rayonier Savings Plan will be prohibited from increasing their holdings in such SpinCo Share Fund under the Rayonier Savings Plan and may elect to liquidate their holdings in such SpinCo Share Fund and invest those monies in any other investment fund offered under the Rayonier Savings Plan. After the Effective Time, all outstanding investments in the SpinCo Share Fund under the Rayonier Savings Plan shall be liquidated and reinvested in other investment funds offered under the Rayonier Savings Plan, on such dates and in accordance with such procedures as are determined by the administrator and the trustee of the Rayonier Savings Plan.

(f) *SpinCo Savings Plan Provisions.* The SpinCo Savings Plan shall provide that:

(i) SpinCo Group Employees and Former SpinCo Group Employees shall (A) be eligible to participate in the SpinCo Savings Plan as of the Effective Time to the extent that they were eligible to participate in the Rayonier Savings Plan as of immediately prior to the Effective Time, and (B) receive credit for all service credited for that purpose under the Rayonier Savings Plan as of immediately prior to the Distribution as if that service had been rendered to SpinCo; and

(ii) the account balance of each SpinCo Group Employee and Former SpinCo Group Employee under the Rayonier Savings Plan as of the date of the transfer of Assets from the Rayonier Savings Plan (including any outstanding promissory notes) shall be credited to such individual's account balance under the SpinCo Savings Plan.

(g) *Determination Letter Request.* SpinCo shall submit an application to the IRS as soon as practicable after the Effective Time (but no later than the last day of the applicable remedial amendment period as defined in applicable Code provisions) requesting a determination letter regarding the qualified status of the SpinCo Savings Plan under Sections 401(a) and 401(k) of the Code and the tax-exempt status of its related trust under Section 501(a) of the Code and shall make any amendments reasonably requested by the IRS to receive such a favorable determination letter.

(h) *Rayonier Savings Plan after Effective Time.* From and after the Effective Time, (i) the Rayonier Savings Plan shall continue to be responsible for Liabilities in respect of Rayonier Group Employees and Former Rayonier Group Employees, and (ii) no SpinCo Group Employees or Former SpinCo Group Employees shall accrue any benefits under the Rayonier Savings Plan. Without limiting the generality of the foregoing, SpinCo Group Employees and Former SpinCo Group Employees shall cease to be participants in the Rayonier Savings Plan effective as of the Effective Time.

(i) *Plan Fiduciaries.* For all periods after the Effective Time, the Parties agree that the applicable fiduciaries of each of the Rayonier Savings Plan and the SpinCo Savings Plan, respectively, shall have the authority with respect to the Rayonier Savings Plan and the SpinCo Savings Plan, respectively, to determine the investment alternatives, the terms and conditions with respect to those investment alternatives and such other matters as are within the scope of their duties under ERISA and the terms of the applicable plan documents.

(j) *No Loss of Unvested Benefits; No Distributions.* The transfer of any SpinCo Group Employee's employment to the SpinCo Group will not result in loss of that SpinCo Group Employee's unvested benefits (if any) under the Rayonier Savings Plan, which benefit Liability will be assumed under the SpinCo Savings Plan as provided herein. No SpinCo Group Employee shall be entitled to a distribution of his or her benefit under the Rayonier Savings Plan or SpinCo Savings Plan as a result of such transfer of employment.

Section 5.04. SpinCo Retained Savings Plans. As of the Effective Time, the SpinCo Group shall retain (or assume to the extent necessary) sponsorship of the Rayonier – Jesup Mill Savings Plan for Hourly Employees and the Rayonier Inc. – Fernandina Mill Savings Plan for Hourly Employees (collectively, the "SpinCo Retained Savings Plans"), and, from and after the Effective Time, all Assets and Liabilities thereunder shall be Assets and Liabilities of the SpinCo Group.

ARTICLE VI
NONQUALIFIED DEFERRED COMPENSATION PLANS

Section 6.01. SpinCo Excess Benefit Plan.

(a) *Establishment of the SpinCo Excess Benefit Plan.* Before the Effective Time, SpinCo shall establish the SpinCo Excess Benefit Plan, which, for not less than the General Continuation Period, shall have substantially the same terms as of immediately prior to the Effective Time as the Rayonier Excess Benefit Plan. Notwithstanding the foregoing, during the General Continuation Period, SpinCo may make such changes, modifications or amendments to the SpinCo Executive Excess Benefit Plan as may be required by applicable Law or as are necessary and appropriate to reflect the Separation, it being understood that any such changes, modifications or amendments shall not result in benefits that are less favorable than those applicable under the Rayonier Excess Benefit Plan to SpinCo Group Employees who were participants in the Rayonier Excess Benefits Plan immediately prior to the Effective Time.

(b) *Assumption of Liabilities from Rayonier.* As of the Effective Time, SpinCo shall, and shall cause the SpinCo Excess Benefit Plan to, assume all Liabilities under the Rayonier Excess Benefit Plan for the benefits of SpinCo Group Employees and Former SpinCo Group Employees and their respective beneficiaries and/or alternate payees, and the Rayonier Group and the Rayonier Excess Benefit Plan shall be relieved of all Liabilities for those benefits. Rayonier shall retain all Liabilities under the Rayonier Excess Benefit Plan for the benefits for Rayonier Group Employees and Former Rayonier Group Employees and their respective beneficiaries and/or alternate payees. From and after the Effective Time, SpinCo Group Employees and Former SpinCo Group Employees shall cease to be participants in the Rayonier Excess Benefit Plan.

Section 6.02. SpinCo Excess Savings and Deferred Compensation Plan.

(a) *Establishment of the SpinCo Excess Savings and Deferred Compensation Plan.* Before the Effective Time, SpinCo shall establish the SpinCo Excess Savings and Deferred Compensation Plan, which, for not less than the General Continuation Period, shall have

substantially the same terms as of immediately prior to the Effective Time as the Rayonier Excess Savings and Deferred Compensation Plan. Notwithstanding the foregoing, during the General Continuation Period, SpinCo may make such changes, modifications or amendments to the Excess Savings and Deferred Compensation Plan as may be required by applicable Law or as are necessary and appropriate to reflect the Separation, it being understood that any such changes, modifications or amendments shall not result in benefits that are less favorable than those applicable under the Rayonier Excess Savings and Deferred Compensation Plan to SpinCo Group Employees who were participants in the Rayonier Excess Savings and Deferred Compensation Plan immediately prior to the Effective Time.

(b) *Assumption of Liabilities from Rayonier.* As of the Effective Time, SpinCo shall, and shall cause the SpinCo Excess Savings and Deferred Compensation Plan to, assume all Liabilities under the Rayonier Excess Savings and Deferred Compensation Plan for the benefits of SpinCo Group Employees and Former SpinCo Group Employees and their respective beneficiaries and/or alternate payees determined as of immediately prior to the Effective Time, and the Rayonier Group and the Rayonier Excess Savings and Deferred Compensation Plan shall be relieved of all Liabilities for those benefits. Rayonier shall retain all Liabilities under the Rayonier Excess Savings and Deferred Compensation Plan for the benefits for Rayonier Group Employees and Former Rayonier Group Employees and their respective beneficiaries and/or alternate payees. From and after the Effective Time, SpinCo Group Employees and Former SpinCo Group Employees shall cease to be participants in the Rayonier Excess Savings and Deferred Compensation Plan.

Section 6.03. Deferred Compensation Benefits for Certain Executives. As of the Effective Time, SpinCo shall assume all Liabilities with respect to the retired participants in the Split-Dollar Life Insurance/Deferred Compensation Retention Benefit Program, effective January 1, 2000, and their respective beneficiaries and/or alternate payees that are funded through the Trust Agreement for Deferred Compensation Benefits for Certain Executives of Rayonier Inc. (also known as the Key Executive Life Program), and, following completion of the Asset transfer described in this Section 6.03, the Rayonier Group shall be relieved of all Liabilities for those benefits. As of the Effective Time, the SpinCo Group shall assume the Trust Agreement for Deferred Compensation Benefits for Certain Executives of Rayonier Inc. and all Assets and Liabilities of such trust (including any insurance policies issued in connection with or in respect of the funding of Liabilities under the Split-Dollar Life Insurance/Deferred Compensation Retention Benefit Program), and, following completion of such assumption, the Rayonier Group shall cease to have any rights or obligations in respect of such trust, its Assets and the benefits funded by such trust.

Section 6.04. Participation; Distributions. The Parties acknowledge that none of the transactions contemplated by this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement will trigger a payment or distribution of compensation under any of the Rayonier Nonqualified Plans or SpinCo Nonqualified Plans for any participant and, consequently, that the payment or distribution of any compensation to which such participant is entitled under any of the Rayonier Nonqualified Plans or SpinCo Nonqualified Plans will occur upon such participant's separation from service from the SpinCo Group or at such other time as provided in the applicable SpinCo Nonqualified Plan or participant's deferral election.

ARTICLE VII
WELFARE BENEFIT PLANS

Section 7.01. Welfare Plans.

(a) *Establishment of SpinCo Welfare Plans.* Before the Effective Time, SpinCo shall, or shall cause the applicable member of the SpinCo Group to, establish the SpinCo Welfare Plans, which, for not less than the Welfare Benefit Continuation Period, shall have terms substantially similar in the aggregate to those of the corresponding Rayonier Welfare Plans as of the Effective Time, except as otherwise required by applicable Law.

(b) *Waiver of Conditions; Benefit Maximums.* SpinCo shall use commercially reasonable efforts to cause the SpinCo Welfare Plans to:

(i) with respect to initial enrollment as of the Effective Time, waive (A) all limitations as to preexisting conditions, exclusions, and service conditions with respect to participation and coverage requirements applicable to any SpinCo Group Employee or Former SpinCo Group Employee, other than limitations that were in effect with respect to the SpinCo Group Employee or Former SpinCo Group Employee under the applicable Rayonier Welfare Plan as of immediately prior to the Effective Time, and (B) any waiting period limitation or evidence of insurability requirement applicable to a SpinCo Group Employee or Former SpinCo Group Employee other than limitations or requirements that were in effect with respect to such SpinCo Group Employee or Former SpinCo Group Employee under the applicable Rayonier Welfare Plans as of immediately prior to the Effective Time; and

(ii) take into account (A) with respect to aggregate annual, lifetime, or similar maximum benefits available under the SpinCo Welfare Plans, a SpinCo Group Employee's or Former SpinCo Group Employee's prior claim experience under the Rayonier Welfare Plans and any Benefit Plan that provides leave benefits; and (B) any eligible expenses incurred by a SpinCo Group Employee or Former SpinCo Group Employee and his or her covered dependents during the portion of the plan year of the applicable Rayonier Welfare Plan ending as of the Effective Time to be taken into account under such SpinCo Welfare Plan for purposes of satisfying all deductible, coinsurance, and maximum out-of-pocket requirements applicable to such SpinCo Group Employee or Former SpinCo Group Employee and his or her covered dependents for the applicable plan year to the same extent as such expenses were taken into account by Rayonier for similar purposes prior to the Effective Time as if such amounts had been paid in accordance with such SpinCo Welfare Plan.

(c) *Health Savings Accounts.* Before the Effective Time, SpinCo shall, or shall cause a member of the SpinCo Group to, establish a SpinCo Welfare Plan that will provide health savings account benefits to SpinCo Group Employees on and after the Effective Time (a "SpinCo HSA"). It is the intention of the Parties that all activity under a SpinCo Group Employee's health savings account under a Rayonier Welfare Plan (a "Rayonier HSA") for the year in which the Effective Time occurs be treated instead as activity under the corresponding account under the SpinCo HSA, such that (i) any period of participation by a SpinCo Group Employee in a Rayonier

HSA during the year in which the Effective Time occurs will be deemed a period when such SpinCo Group Employee participated in the corresponding SpinCo HSA; (ii) all expenses incurred during such period will be deemed incurred while such SpinCo Group Employee's coverage was in effect under the corresponding SpinCo HSA; and (iii) all elections and reimbursements made with respect to such period under the Rayonier HSA will be deemed to have been made with respect to the corresponding SpinCo HSA.

(d) *Flexible Spending Accounts.* The Parties shall use commercially reasonable efforts to ensure that as of the Effective Time any health or dependent care flexible spending accounts of SpinCo Group Employees (whether positive or negative) (the "Transferred Account Balances") under Rayonier Welfare Plans that are health or dependent care flexible spending account plans are transferred, as soon as practicable after the Effective Time, from the Rayonier Welfare Plans to the corresponding SpinCo Welfare Plans. Such SpinCo Welfare Plans shall assume responsibility as of the Effective Time for all outstanding health or dependent care claims under the corresponding Rayonier Welfare Plans of each SpinCo Group Employee for the year in which the Effective Time occurs and shall assume and agree to perform the obligations of the corresponding Rayonier Welfare Plans from and after the Effective Time. As soon as practicable after the Effective Time, and in any event within 30 days after the amount of the Transferred Account Balances is determined or such later date as mutually agreed upon by the Parties, SpinCo shall pay Rayonier the net aggregate amount of the Transferred Account Balances, if such amount is positive, and Rayonier shall pay SpinCo the net aggregate amount of the Transferred Account Balances, if such amount is negative.

(e) *Allocation of Welfare Assets and Liabilities.* Effective as of the Effective Time, the SpinCo Group shall assume all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of SpinCo Group Employees or Former SpinCo Group Employees or their covered dependents under the Rayonier Welfare Plans or SpinCo Welfare Plans before, at, or after the Effective Time. No Rayonier Welfare Plan shall provide coverage to any SpinCo Group Employee or Former SpinCo Group Employee after the Effective Time.

Section 7.02. COBRA and HIPAA. The Rayonier Group shall continue to be responsible for complying with, and providing coverage pursuant to, the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Rayonier Welfare Plans with respect to any Rayonier Group Employees and any Former Rayonier Group Employees (and their covered dependents) who incur a qualifying event under COBRA before, as of, or after the Effective Time. Effective as of the Effective Time, the SpinCo Group shall assume responsibility for complying with, and providing coverage pursuant to, the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the SpinCo Welfare Plans with respect to any SpinCo Group Employees or Former SpinCo Group Employees (and their covered dependents) who incur a qualifying event or loss of coverage under the Rayonier Welfare Plans and/or the SpinCo Welfare Plans before, as of, or after the Effective Time. The Parties agree that the consummation of the transactions contemplated by the Separation and Distribution Agreement shall not constitute a COBRA qualifying event for any purpose of COBRA.

Section 7.03. Vacation, Holidays and Leaves of Absence. Effective as of the Effective Time, the SpinCo Group shall assume all Liabilities of the Rayonier Group with respect to vacation, holiday, annual leave or other leave of absence, and required payments related thereto, for each SpinCo Group Employee. The Rayonier Group shall retain all Liabilities with respect to vacation, holiday, annual leave or other leave of absence, and required payments related thereto, for each Rayonier Group Employee.

Section 7.04. Severance and Unemployment Compensation. Without limiting the generality of Section 4.04, effective as of the Effective Time, the SpinCo Group shall assume any and all Liabilities to, or relating to, SpinCo Group Employees and Former SpinCo Group Employees in respect of severance and unemployment compensation, regardless of whether the event giving rise to the Liability occurred before, at or after the Effective Time. The Rayonier Group shall be responsible for any and all Liabilities to, or relating to, Rayonier Group Employees and Former Rayonier Group Employees in respect of severance and unemployment compensation, regardless of whether the event giving rise to the Liability occurred before, at or after the Effective Time.

Section 7.05. Workers' Compensation. With respect to claims for workers' compensation in the United States, (a) the SpinCo Group shall be responsible for claims in respect of SpinCo Group Employees and Former SpinCo Group Employees, whether occurring before, at or after the Effective Time, and (b) the Rayonier Group shall be responsible for all claims in respect of Rayonier Group Employees and Former Rayonier Group Employees, whether occurring before, at or after the Effective Time. The treatment of workers' compensation claims by SpinCo with respect to Rayonier insurance policies shall be governed by Section 5.1 of the Separation and Distribution Agreement.

Section 7.06. Insurance Contracts. To the extent that any Rayonier Welfare Plan is funded through the purchase of an insurance contract or is subject to any stop loss contract, the Parties will cooperate and use their commercially reasonable efforts to replicate such insurance contracts for SpinCo (except to the extent that changes are required under applicable state insurance Laws or filings by the respective insurers) and to maintain any pricing discounts or other preferential terms for both Rayonier and SpinCo for a reasonable term. Neither Party shall be liable for failure to obtain such insurance contracts, pricing discounts, or other preferential terms for the other Party. Each Party shall be responsible for any additional premiums, charges, or administrative fees that such Party may incur pursuant to this Section 7.06.

Section 7.07. Third-Party Vendors. Except as provided below, to the extent that any Rayonier Welfare Plan is administered by a third-party vendor, the Parties will cooperate and use their commercially reasonable efforts to replicate any contract with such third-party vendor for SpinCo and to maintain any pricing discounts or other preferential terms for both Rayonier and SpinCo for a reasonable term. Neither Party shall be liable for failure to obtain such pricing discounts or other preferential terms for the other Party. Each Party shall be responsible for any additional premiums, charges, or administrative fees that such Party may incur pursuant to this Section 7.07.

Section 7.08. SpinCo Retained Welfare Plans. As of the Effective Time, the SpinCo Group shall retain sponsorship of the Welfare Plans listed on Schedule 7.08 (the "SpinCo

ARTICLE VIII
NON-U.S. EMPLOYEES

SpinCo Group Employees and Former SpinCo Group Employees who are residents outside of the United States or otherwise are subject to non-U.S. Law and their related benefits and Liabilities shall be treated in the same manner as the SpinCo Group Employees and Former SpinCo Group Employees, respectively, who are residents of the United States and are not subject to non-U.S. Law. Notwithstanding anything in this Agreement to the contrary, all actions taken with respect to non-U.S. Employees or U.S. Employees working in non-U.S. jurisdictions shall be subject to and accomplished in accordance with applicable Law in the custom of the applicable jurisdictions.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Employee Records.

(a) *Sharing of Information.* Subject to any limitations imposed by applicable Law, Rayonier and SpinCo (acting directly or through members of the Rayonier Group or the SpinCo Group, respectively) shall provide to the other and their respective authorized agents and vendors all information necessary for the Parties to perform their respective duties under this Agreement.

(b) *Transfer of Personnel Records and Authorization.* Subject to any limitation imposed by applicable Law and to the extent that it has not done so before the Effective Time, Rayonier shall transfer to SpinCo any and all employment records (including any Form I-9, Form W-2 or other IRS forms) with respect to SpinCo Group Employees and Former SpinCo Group Employees and other records reasonably required by SpinCo to enable SpinCo properly to carry out its obligations under this Agreement. Such transfer of records generally shall occur as soon as administratively practicable at or after the Effective Time. Each Party will permit the other Party reasonable access to Employee records, to the extent reasonably necessary for such accessing Party to carry out its obligations hereunder.

(c) *Access to Records.* To the extent not inconsistent with this Agreement, the Separation and Distribution Agreement or any applicable privacy protection Laws or regulations, reasonable access to Employee-related records after the Effective Time will be provided to members of the Rayonier Group and members of the SpinCo Group pursuant to the terms and conditions of Article VI of the Separation and Distribution Agreement.

(d) *Maintenance of Records.* With respect to retaining, destroying, transferring, sharing, copying and permitting access to all Employee-related information, Rayonier and SpinCo shall comply with all applicable Laws, regulations and internal policies, and shall indemnify and hold harmless each other from and against any and all Liability, claims, actions, and damages that arise from a failure (by the indemnifying Party or its Subsidiaries or

their respective agents) to so comply with all applicable Laws, regulations and internal policies applicable to such information.

(e) *Cooperation*. Each Party shall use commercially reasonable efforts to cooperate and work together to unify, consolidate and share (to the extent permissible under applicable privacy/data protection laws) all relevant documents, resolutions, government filings, data, payroll, employment and benefit plan information on regular timetables and cooperate as needed with respect to (i) any litigation with respect to any employee benefit plan, policy or arrangement contemplated by this Agreement, (ii) efforts to seek a determination letter, private letter ruling or advisory opinion from the IRS or U.S. Department of Labor on behalf of any employee benefit plan, policy or arrangement contemplated by this Agreement, and (iii) any filings that are required to be made or supplemented to the IRS, U.S. Pension Benefit Guaranty Corporation, U.S. Department of Labor or any other Governmental Authority; provided, however, that requests for cooperation must be reasonable and not interfere with daily business operations. In addition to and not in limitation of the other provisions of this Article IX, the Parties shall use commercially reasonable efforts to cooperate in order to ensure the effective implementation and enforcement of obligations under that certain Employee Benefit Services and Liability Agreement by and between ITT Corporation and Rayonier, dated as of February 11, 1994 (the "ITT Employee Benefits Agreement") as it relates to Rayonier Group Employees, Former Rayonier Group Employees, SpinCo Group Employees and Former SpinCo Group Employees, it being understood that such implementation and enforcement may involve direct communications and information sharing between SpinCo and ITT Corporation (or its permitted successor in interest), subject to Rayonier's prior written consent as it relates to Rayonier Group Employees and Former Rayonier Group Employees.

(f) *Confidentiality*. Notwithstanding anything in this Agreement to the contrary, all confidential records and data relating to Employees to be shared or transferred pursuant to this Agreement shall be subject to Section 6.9 of the Separation and Distribution Agreement and the requirements of applicable Law.

Section 9.02. Preservation of Rights to Amend. The rights of each member of the Rayonier Group and each member of the SpinCo Group to amend, waive, or terminate any plan, arrangement, agreement, program, or policy referred to herein shall not be limited in any way by this Agreement.

Section 9.03. Fiduciary Matters. Rayonier and SpinCo each acknowledges that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good-faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 9.04. Further Assurances. Each Party hereto shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and

delivery of any and all documents and instruments that any other Party hereto may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

Section 9.05. Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Separation and Distribution Agreement and the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. Rayonier represents on behalf of itself and, to the extent applicable, each of its Subsidiaries, and SpinCo represents on behalf of itself and, to the extent applicable, each of its Subsidiaries, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

(c) Each Party acknowledges and agrees that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

Section 9.06. Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 9.07. Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party hereto; provided, however, that each Party may assign all of its rights and obligations under this Agreement to any of its Subsidiaries; and provided, further, that no such assignment shall release the assigning Party from any of its liabilities or obligations under this Agreement. Notwithstanding the foregoing, no consent for assignment shall be required for the assignment of a Party's rights and obligations under this Agreement, the Separation and Distribution Agreement and all other Ancillary Agreements in whole (*i.e.*, the assignment of a party's rights and obligations under this Agreement and all Ancillary Agreements all at the same time) in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant Party by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any of its Subsidiaries from being party to or undertaking a transaction that would result in a change of control.

Section 9.08. Third-Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any other Person except the Parties any rights or remedies hereunder. There are no other third-party beneficiaries of this Agreement and this Agreement shall not provide any other Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement. Nothing in this Agreement is intended to amend any employee benefit plan or affect the applicable plan sponsor's right to amend or terminate any employee benefit plan pursuant to the terms of such plan. The provisions of this Agreement are solely for the benefit of the Parties, and no current or former Employee, officer, director, or independent contractor or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement. This Agreement may not be assigned by any Party, except with the prior written consent of the other Parties.

Section 9.09. Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.09):

If to Rayonier, to:

Rayonier Inc.
225 Water Street, Suite 1400
Jacksonville, FL 32202
Attention: General Counsel

Rayonier Inc.
225 Water Street, Suite 1400
Jacksonville, FL 32202
Attention: Chief Financial Officer

If to SpinCo, to:

Rayonier Advanced Materials Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: General Counsel

Rayonier Advanced Materials Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: Chief Financial Officer

Any Party may, by notice to the other Party, change the address to which such notices are to be given.

Section 9.10. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of any such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 9.11. Force Majeure. No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligations is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

Section 9.12. Headings. The Article, Section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.13. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants, representations and warranties and other agreements contained in this Agreement, and Liability for the breach of any obligations contained herein, shall survive the Effective Time and shall remain in full force and effect thereafter.

Section 9.14. Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party. No failure or

delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 9.15. Dispute Resolution. The dispute resolution procedures set forth in Article VII of the Separation and Distribution Agreement shall apply to any dispute, controversy or claim arising out of or relating to this Agreement.

Section 9.16. Specific Performance. Subject to Article VII of the Separation and Distribution Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its rights or their rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at Law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any Action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are hereby waived by each of the Parties.

Section 9.17. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

Section 9.18. Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Annexes and Exhibits hereto and thereto) and not to any particular provision of this Agreement; (c) Article, Section, Exhibit, Annex and Schedule references are to the Articles, Sections, Exhibits, Annexes and Schedules to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) unless otherwise specified in a particular case, the word "days" refers to calendar days; (h) references to "business day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Jacksonville, Florida; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (j) unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to June 27, 2014.

Section 9.19. Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable to this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Employee Matters Agreement to be executed by their duly authorized representatives.

RAYONIER INC.

By: /s/ H. Edwin Kiker

Name: H. Edwin Kiker

Title: Senior Vice President and Chief Financial Officer

RAYONIER ADVANCED MATERIALS INC.

By: /s/ Paul G. Boynton

Name: Paul G. Boynton

Title: President and Chief Executive Officer

[Signature Page to Employee Matters Agreement]

Schedule 1.01(c)

Rayonier Welfare Plans

Type	Plan Name / Benefit	Vendor	Group
Perquisites	Executive Physical Program	Mayo	Executives
Perquisites	Executive Financial / Tax Planning	Rayonier	Executives
Life & AD&D	Rayonier Salaried Life Insurance Plan	Cigna Life Insurance	Salaried Actives & Retirees (Life)
Business Travel Accident	The Rayonier Salaried Business Travel Accident Insurance Plan	National Union Fire Insurance	Salaried
Group Universal Life	Group Universal Life Insurance	Met Life	Salaried
Long Term Disability	Group Long Term Disability for Employees of Rayonier Inc.	Cigna Life Insurance	Salaried
Short Term Disability	Group Short Term Disability for Employees of Rayonier, Inc.	Rayonier	Salaried
Supplemental Disability (SIRIP)	Supplemental Income Replacement Insurance Program	The Standard and Mass Mutual	Salaried
Voluntary AD&D	The Rayonier Salaried Voluntary Accident Insurance Plan	National Union Fire Insurance	Salaried
Dental	BCBS Dente Max Dental PPO	BCBS	Salaried Actives & Retirees
EAP	Lifeworks EAP and Telephonic Health Coaching	Lifeworks	Salaried
Medical	Consumer Directed Value Plan & Consumer Directed Choice Plan	BCBS / Express Scripts	Salaried
Retiree Medical	Consumer Directed Health Plan	BCBS / Express Scripts	Salaried Retirees
Vision	EyeMed Vision Care	Eye Med	Salaried
Dependent Care FSA	Dependent Care Flexible Spending Account	BCBS	Salaried
HSA	Health Savings Account	BCBS	Salaried
Severance	Rayonier Inc. Severance Pay Plan for Salaried Employees	Rayonier	Salaried

Schedule 2.03(a)

Rayonier Benefit Plans to be Mirrored by SpinCo (subject to the terms of the Agreement)

Equity, Incentive and Executive Compensation Plans

Rayonier Incentive Stock Plan
Rayonier Non-Equity Incentive Plan
Rayonier Annual Corporate Bonus Program
Rayonier 2014 Bonus and Gain Share Plan
Rayonier Executive Severance Pay Plan
Rayonier Outside Directors Cash Compensation Program

Retirement and Deferred Compensation Plans

Retirement Plan for Salaried Employees of Rayonier Inc.
Rayonier Inc. Excess Benefit Plan
Rayonier Investment and Savings Plan for Salaried Employees
Rayonier Inc. Excess Savings and Deferred Compensation Plan
Rayonier Legal Resources Trust
Rayonier Industries Ltd. Group Personal Pension Plan (GPPP)

Welfare Plans

Schedule 1.01(c) is incorporated herein by reference

Schedule 4.03(b)

SpinCo Retained Bonus Plans

Performance Fibers Hourly
Performance Fibers Salaried Grades 11 and Below
Performance Fibers Salaried Grades 12-16
Performance Fibers Salaried Grades 17 and Above
Performance Fibers Sales, Marketing and Research
Supply Chain Management
Performance Fibers Jesup / Fern Mill Sr. Mgmt
Performance Fibers Manufacturing Sr. Mgmt
Rayonier Cash Incentive Plan (2012-2014)
Performance Fibers Special Bonus Plan
SE Wood Procurement
SE Wood Procurement Sr. Mgmt

Schedule 7.08

SpinCo Retained Welfare Plans

<u>Type</u>	<u>Plan Name / Benefit</u>	<u>Vendor</u>	<u>Group</u>
Life/Accident/Disability	Group Short Term Disability & Life Plan for Employees of Rayonier Inc.	Cigna Life Insurance	Jesup and Fernandina Hourly
Dental	Aetna Dental	Aetna	Fernandina Hourly Actives & Retirees
Dental	BCBS Dente Max Dental PPO	BCBS	Jesup Hourly Actives & Retirees
EAP	Lifeworks EAP and Telephonic Health Coaching	Lifeworks	Jesup and Fernandina Hourly
Medical	Aetna Health Network Only	Aetna	Fernandina Hourly Actives & Retirees
Medical	Jesup Union PPO and Consumer Directed Choice Plan	BCBS / Express Scripts	Jesup Hourly Actives & Retirees
Vision	United Healthcare Group Vision Care Insurance	United Healthcare	Fernandina Hourly
Vision	EyeMed Vision Care	EyeMed	Jesup Hourly
Dependent Care FSA	Dependent Care Flexible Spending Account	BCBS	Jesup Hourly
Health Care FSA	Healthcare Flexible Spending Account	BCBS	Jesup Hourly
HSA	Health Savings Account	BCBS	Jesup Hourly
Voluntary Short-Term Disability	TrustMark Voluntary Short-Term Disability	TrustMark	Fernandina Hourly

INTELLECTUAL PROPERTY AGREEMENT

BY AND BETWEEN

RAYONIER INC.

AND

RAYONIER ADVANCED MATERIALS INC.

DATED AS OF JUNE 27, 2014

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INTELLECTUAL PROPERTY AGREEMENT

This INTELLECTUAL PROPERTY AGREEMENT, dated as of June 27, 2014 (this "Agreement"), is by and between Rayonier Inc., a North Carolina corporation ("Rayonier"), and Rayonier Advanced Materials Inc., a Delaware corporation ("SpinCo").

R E C I T A L S:

WHEREAS, the board of directors of Rayonier (the "Rayonier Board") has determined that it is in the best interests of Rayonier and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Rayonier Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Rayonier Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Rayonier Shares on the Record Date of all the outstanding SpinCo Shares owned by Rayonier (the "Distribution");

WHEREAS, in order to effectuate the Separation and the Distribution, Rayonier and SpinCo have entered into a Separation and Distribution Agreement, dated as of May 28, 2014 (the "Separation and Distribution Agreement"); and

WHEREAS, the SpinCo Group desires to receive (and the Rayonier Group is willing to grant to the SpinCo Group) certain rights under Intellectual Property and Software owned by the Rayonier Group as of the Effective Time, and the Rayonier Group desires to receive (and the SpinCo Group is willing to grant to the Rayonier Group) certain rights under Intellectual Property and Software owned by the SpinCo Group as of the Effective Time, in each case on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Acquired Business" has the meaning set forth in Section 13.05.

"Acquiring Person" has the meaning set forth in Section 13.05.

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

“Affiliate” has the meaning set forth in the Separation and Distribution Agreement.

“Agreement” has the meaning set forth in the Preamble.

“Ancillary Agreements” has the meaning set forth in the Separation and Distribution Agreement.

“Derivative Work” shall mean a work that is based upon one or more preexisting works, and which is a derivative work, including any revision, modification, translation, abridgment, condensation, expansion, collection, compilation and any other form in which such preexisting works may be recast, transformed or adapted, and that, if prepared without authorization by the owner of a preexisting work, would constitute copyright infringement.

“Dispute” has the meaning set forth in Section 13.11.

“Distribution” has the meaning set forth in the Recitals.

“Distribution Date” shall mean the date of the consummation of the Distribution, which shall be determined by the Rayonier Board in its sole and absolute discretion.

“Effective Time” shall mean 11:59 p.m., New York City time, on the Distribution Date.

“Governmental Authority” shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

“Group” shall mean either the SpinCo Group or the Rayonier Group, as the context requires.

“Improvements” shall mean any improvements, additions, modifications, developments, variations, refinements, enhancements, compilations, collective works or Derivative Works.

“Intellectual Property” shall mean all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (b) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill

associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (c) Internet domain names, (d) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (e) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, in each case, other than Software, and (f) intellectual property rights arising from or in respect of any Technology.

“Law” shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Liabilities” shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Licensed Trademarks” shall mean the Trademarks set forth (and only as set forth) on Schedule A, including any registrations and applications for registration set forth on Schedule A.

“Licensee” shall mean, with respect to any Intellectual Property or Software licensed hereunder, the Party receiving a license to such Intellectual Property or Software hereunder.

“Licensor” shall mean, with respect to any Intellectual Property or Software licensed hereunder, the Party granting a license to such Intellectual Property or Software hereunder.

“Licensor Indemnitees” has the meaning set forth in Section 12.01.

“Losses” shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

“Other IP” shall mean either the SpinCo Other IP or the Rayonier Other IP, as the context requires.

“Parties” shall mean the parties to this Agreement.

“Patents” shall mean all patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions.

“Person” shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“Rayonier” has the meaning set forth in the Preamble.

“Rayonier Board” has the meaning set forth in the Recitals.

“Rayonier Business” has the meaning set forth in the Separation and Distribution Agreement.

“Rayonier Group” shall mean Rayonier and each Person that is a Subsidiary of Rayonier.

“Rayonier Name and Rayonier Marks” shall mean the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of either Party or any member of its Group using or containing “RAYONIER”, either alone or in combination with other words or elements, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

“Rayonier Other IP” shall mean all Intellectual Property, except Trademarks and Patents, owned or controlled by Rayonier or any other member of the Rayonier Group as of the Effective Time.

“Rayonier Shares” shall mean the common shares, no par value, of Rayonier.

“Rayonier Software” shall mean any Software that both (a) constitutes a Rayonier Asset under the Separation and Distribution Agreement and (b) is owned as of immediately after the Effective Time by either Party or any of its Subsidiaries.

“Record Date” shall mean the close of business on the date to be determined by the Rayonier Board as the record date for determining holders of Rayonier Shares entitled to receive SpinCo Shares pursuant to the Distribution.

“Separation” has the meaning set forth in the Recitals.

“Separation and Distribution Agreement” has the meaning set forth in the Recitals.

“Software” shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“SpinCo” has the meaning set forth in the Preamble.

“SpinCo Assets” has the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Business” has the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Field of Use” shall mean any and all businesses, operations and activities involving the manufacturing, sale, marketing and distribution of (a) chemical cellulose (also referred to as dissolving pulp) and products sold into similar end uses as chemical cellulose (including cotton linters); (b) pulp and paper products; (c) chemicals; (d) plastics and other polymers; (e) processed foods and pharmaceutical products (including raw materials and intermediates used therein); (f) building materials (including raw materials and intermediates used therein); and/or (g) textiles (including raw materials and intermediates used therein); provided, however, that the foregoing clauses (a) through (g) shall not include solid and engineered wood products (including lumber and plywood) or materials comprised of solid and engineered wood products.

“SpinCo Group” shall mean SpinCo and each Person that is a Subsidiary of SpinCo.

“SpinCo Other IP” shall mean all Intellectual Property, except Trademarks and Patents, owned or controlled by SpinCo or any other member of the SpinCo Group as of the Effective Time.

“SpinCo Shares” shall mean the shares of common stock, par value \$0.01 per share, of SpinCo.

“SpinCo Software” shall mean any Software that both (a) constitutes a SpinCo Asset under the Separation and Distribution Agreement and (b) is owned as of immediately after the Effective Time by either Party or any of its Subsidiaries.

“Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or

indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Technology” shall mean all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or nonpublic information, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form whether or not listed herein, in each case, other than Software.

“Term” has the meaning set forth in Section 2.01.

“Third Party” shall mean any Person other than the Parties or any of their Affiliates.

“Third-Party Claim” shall mean any Action commenced by any Third Party against any Party or any of its Affiliates.

“Trademark” shall mean trademarks, service marks, trade names, service names, trade dress, logos, Internet domain names, and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing.

“Trademark License” has the meaning set forth in Section 2.01.

ARTICLE II GRANT OF TRADEMARKS LICENSE

Section 2.01 Licensed Trademarks. Subject to the terms and conditions of this Agreement, effective as of the Effective Time, Rayonier hereby grants (or shall cause the applicable member of the Rayonier Group to grant) to the SpinCo Group an exclusive, fully paid-up, worldwide, non-sublicensable (except as provided in Section 13.05), non-assignable (except as provided in Sections 6.05 and 13.04), royalty-free and irrevocable (unless terminated in accordance with Section 6.05 or Article IX) license to use and display the Licensed Trademarks for any use or purpose solely in the SpinCo Field of Use (the “Trademark License”). Without limiting the generality of the foregoing, subject to the terms and conditions contained herein, the Trademark License shall include the right of members of the SpinCo Group to use the Licensed Trademarks in their respective corporate names, domain names and email addresses and in any and all electronic, social or other media (including, Facebook, Twitter and LinkedIn and other electronic media and networking platforms), in each case, whether or not in existence as of the date hereof. The term of the Trademark License (the “Term”) shall commence at the Effective Time and shall continue in perpetuity, unless and until the earlier to occur of (a) the assignment, if any, of the Rayonier Name and Rayonier Marks to SpinCo pursuant to Section 6.05 and (b) the termination, if any, of the Trademark License pursuant to Article IX. Except

pursuant to Section 6.05, neither SpinCo nor any other member of the SpinCo Group shall acquire any ownership rights hereunder in the Licensed Trademarks (or any other Rayonier Name and Rayonier Marks), and all goodwill symbolized by and connected with the use of the Licensed Trademarks by SpinCo or any other member of the SpinCo Group shall inure solely to the benefit of Rayonier.

Section 2.02 Additional Licensed Trademarks. During the Term, SpinCo and each other member of the SpinCo Group shall be permitted to use, solely in the SpinCo Field of Use, any Trademark in which any Licensed Trademark is immediately followed by one or more additional words or abbreviations so long as such additional words would not cause confusion with Rayonier's own usage of a Trademark. At least twenty (20) days' prior written notice shall be given to Rayonier in advance of the commencement of such use of such Trademark by any member of the SpinCo Group, together with examples of the intended use, so that Rayonier can verify and ensure that the RAYONIER name is being used in accordance with the requirements of this Agreement and all applicable Laws. So long as no written objection (together with reasonably detailed explanation) is received by SpinCo within the twenty (20)-day period following SpinCo's delivery of such notice to Rayonier, such Trademark shall be deemed to be a Licensed Trademark for all purposes hereunder and the Parties shall add such Trademark (or shall cause such Trademark to be added) to Schedule A.

Section 2.03 Restriction on Rayonier. During the Term, Rayonier shall not (and shall cause the other members of the Rayonier Group not to), directly or indirectly, design, develop, manufacture, market, provide or perform any products or services under any of the Licensed Trademarks or grant a license to or otherwise authorize any Third Party to do any of the foregoing.

Section 2.04 Use of Rayonier Name. Without limiting any other provisions of this Agreement, except as set forth on Schedule A or as otherwise permitted in accordance with Section 2.01, 2.02 or 2.06, SpinCo shall not (and shall cause the other members of the SpinCo Group not to) use the name "RAYONIER" in connection with any aspect of its business, operations or affairs, whether conducted directly or indirectly, including as a corporate or business name, domain name or email address, unless the name "RAYONIER" is part of a Licensed Trademark. The Parties acknowledge and agree that this Agreement shall not restrict (a) any member of the SpinCo Group from using the abbreviation "RYAM" in its corporate or business name or in any other Trademark or (b) the right of any Party or any member of its Group to make use of any term or Trademark in a manner that constitutes fair use under applicable Law or factual use solely for historical or reference purposes.

Section 2.05 Display of Trademarks. The Parties acknowledge and agree that it is in their mutual best interest that, and the Parties shall reasonably cooperate with each other in good faith to ensure that, the Licensed Trademarks shall appear distinctive from the other Rayonier Name and Rayonier Marks used by Rayonier or any other member of the Rayonier Group. Any Dispute with respect to the appearance of a Licensed Trademark or the other Rayonier Name and Rayonier Marks shall be resolved in accordance with Section 13.11.

Section 2.06 Transitional Trademark License. Subject to the terms and conditions of this Agreement, effective as of the Effective Time, Rayonier hereby grants (or shall

cause the applicable member of the Rayonier Group to grant) to the SpinCo Group, for the six (6)-month period immediately after the Distribution Date, a non-exclusive, fully paid-up, worldwide, non-sublicensable, non-assignable, royalty-free and irrevocable (unless terminated in accordance with Section 6.05 or Article IX) license to use the Rayonier Name and Rayonier Marks (in addition to the other rights granted to the SpinCo Group under this Article II) solely in connection with (a) any and all inventory for sale that bears or incorporates the Rayonier Name and Rayonier Marks; (b) facilities, locations, buildings, machines or equipment, or other fixed assets, bearing or using the Rayonier Name and Rayonier Marks as of the Distribution Date; and (c) labels, invoices, bills of lading, signage and other documents and identifiers bearing or incorporating the Rayonier Name and Rayonier Marks as of the Distribution Date; provided that, as of the end of such six (6)-month period, SpinCo shall (and shall cause each other member of the SpinCo Group to) discontinue any and all use of such Rayonier Name and Rayonier Marks unless otherwise in compliance with this Agreement. This Section 2.06 is not intended to and shall not preclude or limit any use of the Licensed Trademarks by SpinCo or the other members of the SpinCo Group in accordance with the other provisions of this Agreement.

ARTICLE III
USE; REGISTRATION AND MAINTENANCE OF LICENSED TRADEMARKS

Section 3.01 Quality Standard. SpinCo shall cause the quality of all of the products and services of each member of the SpinCo Group that are designed, developed, manufactured, marketed, provided or performed under any Licensed Trademark to be maintained at a commercially reasonable level and comply with the requirements of all applicable Laws. The Parties agree that, without limitation, the quality of comparable products and services marketed by Rayonier or any other member of its Group prior to the Distribution Date is at a commercially reasonable level of quality. During the Term, upon at least ten (10) days' prior written notice to SpinCo, Rayonier shall have the right (but not any obligation), at its own cost and expense and not more often than once in any six (6)-month period, to conduct, at the facilities of any member of the SpinCo Group, examination of specimens of the use of the Licensed Trademarks and of products manufactured by or for any member of the SpinCo Group, and to obtain from any member of the SpinCo Group information and documentation that would enable Rayonier to determine whether the quality of such products and services is maintained in accordance with this Section 3.01.

Section 3.02 Unauthorized Use. SpinCo acknowledges and agrees that any use of the Licensed Trademarks other than that expressly authorized hereunder is prohibited without the prior written approval of Rayonier. Without limiting the generality of the foregoing, during the Term, SpinCo shall (and shall cause the other members of the SpinCo Group to) only use and display the Licensed Trademarks in the SpinCo Field of Use.

Section 3.03 Registration; Maintenance of Licensed Trademarks.

(a) During the Term, upon SpinCo's reasonable written request and at SpinCo's cost and expense, Rayonier shall (i) subject to Section 3.03(b), take all reasonably necessary steps to procure registration of the Licensed Trademarks in all jurisdictions requested by SpinCo and (ii) subject to Section 3.03(c), use commercially reasonable efforts to maintain

the Licensed Trademarks and all registrations thereof and applications therefor in all jurisdictions in which each is registered or an application therefor is pending. SpinCo shall (and shall cause the other members of the SpinCo Group to) execute all documents as are reasonably necessary or appropriate to aid in, and shall otherwise reasonably cooperate (at SpinCo's cost and expense) with the efforts of Rayonier to prepare, obtain, file, record and maintain all such registrations and applications.

(b) The Parties may mutually agree, from time to time, that SpinCo shall procure registration of any Licensed Trademarks in any jurisdictions requested by SpinCo pursuant to Section 3.03(a). If the Parties so agree, SpinCo shall be solely responsible for registering (at SpinCo's cost and expense) such Licensed Trademarks in such jurisdictions and Rayonier shall (and shall cause the other members of the Rayonier Group to) execute all documents as are reasonably necessary or appropriate to aid in, and shall otherwise reasonably cooperate (at SpinCo's cost and expense) with the efforts of SpinCo to prepare, obtain, file, record and maintain all such registrations and the applications related thereto.

(c) SpinCo acknowledges and agrees that neither Rayonier nor any other member of the Rayonier Group shall have any further maintenance obligations hereunder as to the Licensed Trademarks or any registration thereof or application therefor upon Rayonier's providing reasonable advance written notice to SpinCo that Rayonier does not intend to continue such maintenance. Rayonier acknowledges and agrees that, upon SpinCo's receiving such notice, SpinCo shall have the right (but not any obligation) to continue such maintenance at SpinCo's cost and expense and in Rayonier's name or in the name of any other member of the Rayonier Group specified by Rayonier. In the event SpinCo elects to continue such maintenance, Rayonier shall (and shall cause the other members of the Rayonier Group to), to the extent reasonably necessary, execute all documents to aid in, and otherwise cooperate with, the effort of SpinCo to maintain registrations of the Licensed Trademarks. Notwithstanding anything to the contrary contained herein, if and after Rayonier gives reasonable written notice to SpinCo in accordance with this Section 3.03(c), neither SpinCo, Rayonier, nor any other member of their respective Groups shall be liable hereunder in any manner for any failure to maintain such Licensed Trademarks.

ARTICLE IV GRANT OF SOFTWARE LICENSE

Section 4.01 Grant of Software License.

(a) Subject to the terms and conditions of this Agreement, and subject to any rights of Third Parties that may be in effect, effective as of the Effective Time, Rayonier hereby grants (or shall cause the applicable member of the Rayonier Group to grant) to the SpinCo Group a nonexclusive, perpetual (unless terminated in accordance with Article IX), fully paid-up, worldwide, non-sublicensable (except as provided in Section 13.05), non-assignable (except as provided in Section 13.04), royalty-free and irrevocable (unless terminated in accordance with Article IX) license to (i) use, (ii) reproduce, (iii) display, and (iv) prepare Derivative Works based upon any and all Rayonier Software that was used in connection with the SpinCo Business prior to the Distribution Date.

(b) Subject to the terms and conditions of this Agreement, and subject to rights of Third Parties that may be in effect, effective as of the Effective Time, SpinCo hereby grants (or shall cause the applicable member of the SpinCo Group to grant) to the Rayonier Group a nonexclusive, perpetual (unless terminated in accordance with Article IX), fully paid-up, worldwide, non-sublicensable (except as provided in Section 13.05), non-assignable (except as provided in Section 13.04), royalty-free and irrevocable (unless terminated in accordance with Article IX) license to (i) use, (ii) reproduce, (iii) display, and (iv) prepare Derivative Works based upon any and all SpinCo Software that was used in connection with the Rayonier Business prior to the Distribution Date.

(c) Until the date that is twenty-four (24) months after the Distribution Date, Licensee may request a copy of Software licensed to its Group hereunder (including the source code for such Software) and Licensor shall provide a copy of such Software to Licensee; provided that, in each case, such Software was not previously provided to Licensee and such Software is then in the possession or control of Licensor or any other member of its Group. Notwithstanding anything to the contrary contained herein, Licensor need only provide to Licensee a copy of such Software in the form in which it existed as of the Distribution Date, and in no event shall Licensor (or any other member of its Group) be required to provide to Licensee (or any other member of its Group) any upgrades, updates, enhancements or other modifications to such Software or any additional copies of such Software.

(d) After the Distribution Date, if Licensee (or any other member of its Group) creates (or has another Person create) a Derivative Work of any Software licensed to its Group hereunder, Licensee shall own all rights in and to the particular modifications, additions or changes made to such Software, subject to the Intellectual Property rights of Licensor (and the other members of its Group) in such Software. No license is granted hereunder to such Derivative Work and neither Licensee nor any member of its Group shall, by virtue of creating any Derivative Work of such Software, gain any greater rights in or to such Software than are expressly granted hereunder.

(e) Licensee shall (and shall cause the other members of its Group to) treat any source code for Software licensed to its Group hereunder as confidential and proprietary information of Licensor, and Licensee shall (and shall cause the other members of its Group to) hold such source code in confidence in accordance with Section 6.9 of the Separation and Distribution Agreement.

ARTICLE V OTHER IP LICENSES

Section 5.01 Grant of Other IP Licenses.

(a) Subject to the terms and conditions of this Agreement, and subject to any rights of Third Parties that may be in effect, effective as of the Effective Time, Rayonier hereby grants (or shall cause the applicable member of the Rayonier Group to grant) to the SpinCo Group a nonexclusive, perpetual (unless terminated in accordance with Section 6.06 or Article IX), fully paid-up, worldwide, non-sublicensable (except as provided in Section 13.05), non-assignable (except as provided in Sections 6.06 and 13.04), royalty-free and irrevocable (unless terminated in accordance with Section 6.06 or Article IX) license, for any use or purpose, in and

to the Rayonier Other IP that was used in connection with the SpinCo Business prior to the Distribution Date.

(b) Subject to the terms and conditions of this Agreement, and subject to rights of Third Parties that may be in effect, effective as of the Effective Time, SpinCo hereby grants (or shall cause the applicable member of the SpinCo Group to grant) to the Rayonier Group a nonexclusive, perpetual (unless terminated in accordance with Section 6.06 or Article IX), fully paid-up, worldwide, non-sublicensable (except as provided in Section 13.05), non-assignable (except as provided in Sections 6.06 and 13.04), royalty-free and irrevocable (unless terminated in accordance with Section 6.06 or Article IX) license, for any use or purpose, in and to the SpinCo Other IP that was used in connection with the Rayonier Business prior to the Distribution Date.

Section 5.02 Improvements. Licensee (and the other members of its Group) shall have the right to make Improvements to the Other IP licensed to its Group hereunder; provided, however, that, subject to Section 6.06, Licensor will own and retain all right, title and interest in and to the Other IP licensed by Licensor (or the other members of its Group) hereunder.

Section 5.03 Restriction on Disclosure. Licensee shall (and shall cause the other members of its Group to) hold all confidential or proprietary information, including trade secrets, invention disclosures, processes and know-how, licensed to its Group hereunder and any other confidential or proprietary information disclosed to Licensee or any other member of its Group hereunder in confidence in accordance with Section 6.9 of the Separation and Distribution Agreement.

Section 5.04 Maintenance of the Other IP. Neither Licensor nor any other member of its Group shall have any obligation to Licensee (or any other member of its Group) with respect to maintaining the pendency, subsistence, validity, enforceability, or confidentiality of any Other IP licensed by Licensor (or any other member of its Group) hereunder and Licensor (and the other members of its Group) may discontinue maintenance, abandon or dedicate to any Person the Other IP licensed by Licensor (or any other member of its Group) hereunder.

ARTICLE VI PROPRIETARY RIGHTS

Section 6.01 Title to Intellectual Property. Licensee acknowledges and agrees that Licensor (or the applicable member of its Group) is the sole and exclusive owner of any and all Intellectual Property and Software licensed by Licensor or any other member of Licensor's Group hereunder. Subject to Sections 6.05 and 6.06, Licensor shall retain all right, title and interest in and to such Intellectual Property and Software, including all copyright and other proprietary rights.

Section 6.02 No Challenge to Title. Subject to Sections 6.05 and 6.06, Licensee agrees that it shall not (and shall cause the other members of its Group not to), for any reason, whether during or after the termination of this Agreement, do or authorize any Person to do, any of the following with respect to any Intellectual Property or Software licensed to its Group hereunder: (a) represent to any Person in any manner that it owns or has any ownership rights in

such Intellectual Property or Software; (b) except in accordance with Section 3.03(b) or (c), apply for federal, state, or national registration of such Intellectual Property or Software; or (c) impair, dispute or contest the validity of Licensor's (or any member of its Group) right, title and interest in and to such Intellectual Property or Software.

Section 6.03 No Other Rights. Only those rights specifically granted hereunder to Licensee or its Group are granted to Licensee or its Group hereunder and all other rights in the Intellectual Property or Software licensed to Licensee or its Group hereunder are expressly reserved by Licensor. Without limiting the generality of the foregoing, Licensee shall not (and shall cause the other members of its Group not to) use any Intellectual Property or Software licensed to Licensee or its Group hereunder for any purpose other than as expressly permitted under the terms of this Agreement.

Section 6.04 No Adverse Action. Licensee agrees that it shall not (and shall cause the other members of its Group not to), for any reason, take or voluntarily cooperate in any Action that might dilute, tarnish, disparage, or reflect adversely on Licensor (or any other member of its Group). Without limiting the generality of the foregoing, Licensee shall (and shall cause the other members of its Group to) only use any copyrighted work licensed to Licensee's Group hereunder in accordance with sound copyright usage principles and in compliance with the requirements of all applicable Laws.

Section 6.05 Assignment of Trademarks upon Cessation. During the Term, if Rayonier determines (in its sole and absolute discretion) to permanently cease using the Rayonier Name and Rayonier Marks in active commerce, Rayonier shall reasonably promptly notify SpinCo in writing of such determination and Rayonier shall (and shall reasonably promptly execute, upon SpinCo's written request, such other documentation as may be reasonably necessary to) irrevocably assign the Rayonier Name and Rayonier Marks to SpinCo for aggregate consideration to Rayonier of one U.S. dollar (\$1.00). Upon any such assignment of the Rayonier Name and Rayonier Marks to SpinCo pursuant to this Section 6.05, (a) the Trademark License shall automatically and immediately terminate without the need for any further action by any member of the Rayonier Group or the SpinCo Group and (b) no member of the Rayonier Group shall have any rights whatsoever to use any Rayonier Name or Rayonier Marks subsequent to the date of such termination and Rayonier shall (and shall cause the other members of the Rayonier Group to) immediately cease using the Rayonier Name and Rayonier Marks in any and all forms. Notwithstanding anything in this Agreement to the contrary, upon any termination of the Trademark License pursuant to this Section 6.05, all other rights and licenses granted under this Agreement that are in effect at the time of such termination, whether to Rayonier, SpinCo or any other member of their respective Groups, shall survive and remain in full force and effect.

Section 6.06 Assignment of Other IP upon Cessation. During the term of the license of any Other IP licensed by Licensor (or any other member of its Group) hereunder, if Licensor determines (in its sole and absolute discretion) to permanently cease using such Other IP in connection with its business and Licensor does not intend to (and does not intend to cause the applicable member of its Group to) sell, transfer or assign such Other IP to a Third Party (it being understood that any such transaction would be subject to the terms of this Agreement), Licensor shall reasonably promptly notify Licensee in writing of such determination and, if

Licensee (or any other member of its Group) is then using such Other IP in connection with Licensee's business, Licensor shall or shall cause any other applicable member of its Group to (and Licensor agrees that the applicable member of Licensor's Group shall reasonably promptly execute, upon Licensee's written request, such other documentation as may be reasonably necessary to) irrevocably assign such Other IP to Licensee for aggregate consideration to Licensor (or the applicable member of its Group) of one U.S. dollar (\$1.00). Upon any such assignment of such Other IP to Licensee pursuant to this Section 6.06, (a) the license to such Other IP shall automatically and immediately terminate without the need for any further action by any member of the Licensee's Group or the Licensor's Group and (b) no member of the Licensor's Group shall have any rights whatsoever to use such Other IP subsequent to the date of such termination and Licensor shall (and shall cause the other members of its Group to) immediately cease using such Other IP in any and all forms. Notwithstanding anything in this Agreement to the contrary, upon any termination of the license to any Other IP pursuant to this Section 6.06, all other rights and licenses granted under this Agreement that are in effect at the time of such termination, whether to Rayonier, SpinCo or any other member of their respective Groups, shall survive and remain in full force and effect.

Section 6.07 License Exceptions. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to license any Other IP or Software, in whole or in part, or any rights thereunder, if the agreement or attempt to license, without the consent of a Third Party, would in any way adversely affect the rights of any Party with respect to such Other IP or Software. If an attempted license would be ineffective or would adversely affect the rights of any Party, the Parties will cooperate with each other in good faith to effect an arrangement designed reasonably to provide the benefits of such Other IP or Software (as applicable) to the proposed licensee of such Other IP or Software.

ARTICLE VII
ENFORCEMENT

Licensee agrees that it shall advise Licensor reasonably promptly if (and in no event later than five (5) business days after) Licensee (or any other member of its Group) becomes aware of any unauthorized Third-Party use of any Intellectual Property or Software licensed to its Group hereunder. Licensee shall not (and shall cause the other members of its Group not to) take any steps to contact any such Third Party without Licensor's prior written permission. Licensor shall have the sole discretion to determine whether and in what manner to respond to any such unauthorized Third-Party use and shall be exclusively entitled to any remedies, including monetary damages, related thereto or resulting therefrom. In the event that Licensor decides to initiate any claim against any Third Party, Licensee shall (and shall cause the other members of its Group to) cooperate fully with Licensor at Licensor's cost and expense.

ARTICLE VIII
BANKRUPTCY

This Agreement constitutes a license of "intellectual property" within the meaning of Section 365(n) of the United States Bankruptcy Code. If Section 365(n) of the United States Bankruptcy Code (or any successor provision) is applicable, and the trustee or debtor-in-possession has rejected this Agreement and if Licensee (or any other member of its Group) has

electd pursuant to Section 365(n) of the United States Bankruptcy Code to retain its rights hereunder, then upon the written request of Licensee, to the extent Licensee (or any other member of its Group) is otherwise entitled hereunder, the trustee or debtor-in-possession shall provide to Licensee any intellectual property (including embodiments thereof) held or controlled by the trustee or debtor-in-possession.

ARTICLE IX TERMINATION

Section 9.01 Termination for Non-Use. If, during the Term, neither SpinCo, any other member of the SpinCo Group nor any assignee or sublicensee of SpinCo permitted in accordance with Section 13.04 or 13.05, respectively, (a) has used a corporate name incorporating the name “RAYONIER” or (b) has otherwise used such name in active commerce, in either case for at least twelve (12) consecutive months (regardless of the reason for such non-use, whether because of acquisition, insolvency or otherwise), then the Trademark License shall automatically and immediately terminate without the need for any further action by any member of the Rayonier Group or the SpinCo Group or any such permitted assignee or sublicensee. Notwithstanding anything in this Agreement to the contrary, upon any termination of the Trademark License pursuant to this Section 9.01, all other rights and licenses granted under this Agreement that are in effect at the time of such termination, whether to Rayonier, SpinCo or any other member of their respective Groups, shall survive and remain in full force and effect.

Section 9.02 Termination for Breach. Either Party may terminate this Agreement with respect to any Intellectual Property or Software, as the case may be, licensed hereunder in the event of a material breach of this Agreement by the other Party (or any other member of the other Party’s Group) with respect to such Intellectual Property or Software if such breach is not cured within thirty (30) days following the breaching Party’s receipt of written notice of such breach from the non-breaching Party. Notwithstanding anything in this Agreement to the contrary, upon any termination of this Agreement with respect to any Intellectual Property or Software pursuant to this Section 9.02, all other rights and licenses granted under this Agreement that are in effect at the time of such termination, whether to Rayonier, SpinCo or any other member of their respective Groups, shall survive and remain in full force and effect.

Section 9.03 Termination by Licensee. Licensee may terminate any license granted to it (or any other member of its Group) hereunder as to any Intellectual Property or Software licensed to it (or any other member of its Group) hereunder by providing at least thirty (30) days’ prior written notice of such termination to the other Party. Notwithstanding anything in this Agreement to the contrary, upon any termination of this Agreement with respect to any Intellectual Property or Software pursuant to this Section 9.03, all other rights and licenses granted under this Agreement that are in effect at the time of such termination, whether to Rayonier, SpinCo or any other member of their respective Groups, shall survive and remain in full force and effect.

Section 9.04 Effect of Termination; Survival. Upon the termination of the Trademark License pursuant to Section 9.01, 9.02 or 9.03, neither SpinCo nor any other member of the SpinCo Group shall have any rights whatsoever to use any Licensed Trademarks subsequent to date of such termination and SpinCo shall (and shall cause the other members of

the SpinCo Group to) immediately cease using the Licensed Trademarks in any and all forms; provided that, in the case of a termination pursuant to Section 9.02, SpinCo and each of the other members of the SpinCo Group shall have the right to continue to use the Licensed Trademarks in accordance with this Agreement during the twelve (12)-month period immediately after the effective date of such termination; provided, however, that SpinCo shall (and shall cause each other member of the SpinCo Group to), within such twelve (12)-month period, (a) discontinue all use of the Licensed Trademarks, (b) delete the same from its corporate or business name, and (c) destroy all materials and papers, other than corporate records, upon which any Licensed Trademarks appear. Subject to Section 6.06, upon the termination of this Agreement with respect to the license of any Other IP or Software, neither the Licensee nor any other member of its Group shall have any rights whatsoever to use such Other IP or Software (as applicable) subsequent to the date of such termination and Licensee shall (and shall cause each of the other members of its Group to) immediately cease using such Other IP or Software (as applicable). Notwithstanding anything in this Agreement to the contrary, Sections 4.01(e), 5.03, 6.01, 6.02 and 6.04 and Article XI, Article XII and Article XIII shall survive any termination of this Agreement in whole or in part.

ARTICLE X GROUP MEMBERS

Each Party shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any other member of such Party's Group.

ARTICLE XI DISCLAIMER OF WARRANTIES; LIMITATION OF LIABILITY

Section 11.01 Disclaimer of Representations and Warranties. ALL INTELLECTUAL PROPERTY AND SOFTWARE LICENSED UNDER THIS AGREEMENT ARE FURNISHED "AS IS," WITHOUT ANY SUPPORT, ASSISTANCE, MAINTENANCE (EXCEPT AS EXPRESLY PROVIDED IN SECTION 3.03), OR WARRANTIES OF ANY KIND WHATSOEVER. LICENSEE ASSUMES TOTAL RESPONSIBILITY AND RISK FOR ITS (AND ANY OTHER MEMBER OF ITS GROUP) USE OF ANY INTELLECTUAL PROPERTY OR SOFTWARE LICENSED TO ITS GROUP HEREUNDER. NEITHER LICENSOR NOR ANY OTHER MEMBER OF ITS GROUP MAKE (AND HEREBY EXPRESSLY DISCLAIMS) ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND WHATSOEVER, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES OF TITLE OR NON-INFRINGEMENT, OR ANY WARRANTY THAT ANY SUCH INTELLECTUAL PROPERTY IS "ERROR FREE."

Section 11.02 Disclaimer of Certain Damages. IN NO EVENT SHALL EITHER PARTY, ANY MEMBER OF ITS GROUP OR THEIR RESPECTIVE REPRESENTATIVES BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT (OTHER THAN ANY SUCH LIABILITY WITH RESPECT TO A

THIRD-PARTY CLAIM), AND EACH PARTY HEREBY WAIVES ON BEHALF OF ITSELF, EACH OTHER MEMBER OF ITS GROUP AND ITS REPRESENTATIVES ANY CLAIM FOR SUCH DAMAGES, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE. THE LIMITATIONS SET FORTH ABOVE IN THIS SECTION 11.02 SHALL NOT APPLY IN RESPECT OF ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH (A) EITHER PARTY'S LIABILITY FOR BREACHES OF CONFIDENTIALITY UNDER SECTION 4.01(e) OR 5.03, (B) THE GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD OF OR BY THE PARTY TO BE CHARGED, OR (C) CLAIMS FOR INDEMNIFICATION IN RESPECT OF THIRD-PARTY CLAIMS UNDER ARTICLE XII.

ARTICLE XII INDEMNIFICATION

Section 12.01 Indemnification. In addition to (but not in duplication of) its other indemnification obligations (if any) under the Separation and Distribution Agreement, this Agreement or any other Ancillary Agreement, to the fullest extent permitted by Law, Licensee shall (and shall cause the other members of its Group to) indemnify, defend and hold harmless Licensor, each of the other members of Licensor's Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Licensor Indemnitees"), from and against any and all Liabilities of the Licensor Indemnitees to the extent that such Liabilities relates to, arises out of or results from (i) a breach of this Agreement by Licensee (or any other member of its Group) or (ii) use by Licensee (or any other member of its Group) of any of the Intellectual Property or Software licensed to Licensee (or any other member of its Group) hereunder.

Section 12.02 Indemnification Procedures. The procedures for indemnification set forth in Sections 4.5, 4.6 and 4.7 of the Separation and Distribution Agreement shall govern claims for indemnification under this Agreement.

ARTICLE XIII MISCELLANEOUS

Section 13.01 Further Assurances. Each Party shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party hereto may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

Section 13.02 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Separation and Distribution Agreement and the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the

entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

(c) Rayonier represents on behalf of itself and, to the extent applicable, each other member of the Rayonier Group and SpinCo represents on behalf of itself and, to the extent applicable, each other member of the SpinCo Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

(d) Each Party acknowledges and agrees that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

Section 13.03 Governing Law. This Agreement (and any Dispute arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 13.04 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, no such consent shall be required for the assignment of a Party's rights and obligations under the Separation and Distribution Agreement, this Agreement and the other Ancillary Agreements in whole (i.e., the assignment of a Party's rights and obligations under the Separation and Distribution Agreement, this Agreement and all the other Ancillary Agreements all at the same time) in connection with a change of control, or a sale of all or substantially all of the assets, of a

Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any member of its Group from being party to or undertaking a change of control.

Section 13.05 Sublicensing Right. Licensee shall not (and shall cause the other members of its Group not to) sublicense any of the Intellectual Property or Software licensed to it or its Group hereunder without the express prior written consent of the Licensor of such Intellectual Property or Software (such consent not to be unreasonably withheld in the case of the purchase or acquisition of an Acquired Business by an Acquiring Person); provided that, in the event that one or more Third Parties purchases or acquires (whether by way of merger, share exchange, consolidation, business combination, consolidation, acquisition of all or substantially all assets, or other similar transaction or otherwise) any of the segments, divisions or businesses of SpinCo (or any other member of the SpinCo Group) that design, develop, manufacture, market, provide or perform any products or services under any Licensed Trademark (any such segment, division or business, an "Acquired Business"; and any such Third Party, an "Acquiring Person"), SpinCo may, without obtaining the consent of Rayonier or any other member of the Rayonier Group, grant a sublicense to any such Acquiring Person to use and display the applicable Licensed Trademarks solely for use in the Acquired Business; provided, however, that each such Acquiring Person agrees in writing, in a sublicense agreement, to be bound by the terms of this Agreement that are applicable to the Licensed Trademarks (including complying with the quality standards and providing Rayonier with the examination rights set forth in Section 3.01) and that such sublicense agreement shall provide that (a) no such Acquiring Person shall have any right whatsoever to (i) assign any of its rights or delegate any of its obligations under such sublicense agreement to any Person, (ii) grant a license or sublicense to or assign any Licensed Trademark or any other Rayonier Name or Rayonier Marks to any Person or (iii) use or display any Licensed Trademarks sublicensed to it other than in connection with the Acquired Business (and, in no event, other than in the SpinCo Field of Use); (b) such sublicense agreement shall expire on the first to occur of (i) the date on which the Term expires and (ii) the date that is the fifth (5th) anniversary of the completion of the purchase or acquisition of the applicable Acquired Business by the Acquiring Person (or such shorter period as the Acquiring Person and the SpinCo shall agree); and (c) Rayonier shall be a third-party beneficiary under such sublicense agreement, with the right to enforce any and all applicable provisions thereof (including those provisions required pursuant to clause (a) or (b) of this proviso). SpinCo shall provide Rayonier with a copy of the duly executed sublicense agreement.

Section 13.06 Third-Party Beneficiaries. Except as provided in Article XII with respect to the Licensor Indemnitees in their capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any other Person except the Parties any rights or remedies hereunder and (b) there are no other Third-Party beneficiaries of this Agreement and this Agreement shall not provide any other Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 13.07 Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall

be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 13.07):

If to Rayonier, to:

Rayonier Inc.
225 Water Street, Suite 1400
Jacksonville, FL 32202
Attention: General Counsel

and

Rayonier Inc.
225 Water Street, Suite 1400
Jacksonville, FL 32202
Attention: Chief Financial Officer

If to SpinCo, to:

Rayonier Advanced Materials Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: General Counsel

and

Rayonier Advanced Materials Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: Chief Financial Officer

Any Party may, by notice to the other Party, change the address to which such notices are to be given.

Section 13.08 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 13.09 Headings. The Article, Section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 13.10 Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 13.11 Dispute Resolution. In the event of any controversy, dispute or claim (a “Dispute”) arising out of or relating to any Party’s rights or obligations under this Agreement (whether arising in contract, tort or otherwise) (including the interpretation or validity of this Agreement), such Dispute shall be resolved in accordance with the dispute resolution process referred to in Article VII of the Separation and Distribution Agreement.

Section 13.12 Specific Performance. Subject to Section 13.11, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its rights or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any Action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are hereby waived by each of the Parties.

Section 13.13 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

Section 13.14 Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Annexes and Exhibits hereto) and not to any particular provision of this Agreement; (c) Article, Section, Exhibit, Annex and Schedule references are to the Articles, Sections, Exhibits, Annexes and Schedules to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) unless otherwise specified in a particular case, the word “days” refers to calendar days; (h) references to “business day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Jacksonville, Florida; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter,

unless otherwise specified; and (j) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to June 27, 2014.

Section 13.15 Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable to this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

RAYONIER INC.

By: /s/ H. Edwin Kiker

Name: H. Edwin Kiker

Title: Senior Vice President and Chief
Financial Officer

RAYONIER ADVANCED MATERIALS INC.

By: /s/ Paul G. Boynton

Name: Paul G. Boynton

Title: President and Chief Executive
Officer

[Signature Page to Intellectual Property Agreement]

Schedule A

Licensed Trademarks

Rayonier Advanced

Rayonier Advanced Materials

Rayonier Advanced Materials Inc.

Rayonier AM

Rayonier A.M.

Rayonier Cellulose Specialties

Rayonier CS

Rayonier C.S.

Rayonier Dissolving Pulp

Rayonier High Purity

Rayonier Performance Fibers

Rayonier Performance Fibers Global Sales and Distribution Company

Rayonier PF

Rayonier P.F.

Rayonier Specialty Cellulose



News Release

Contacts:

Investors	Ed Kiker	904-357-9186
Media	Mike Bell	904-321-5537

For Immediate Release

Rayonier Completes Separation of Rayonier Advanced Materials

Rayonier Inc. and Rayonier Advanced Materials Inc. are now Separate Independent Companies

JACKSONVILLE, Fla., June 30, 2014 – Rayonier Inc. (NYSE: RYN) today announced that at 11:59 p.m., Eastern Time, on June 27, 2014, it completed the spin-off of Rayonier Advanced Materials Inc. (NYSE: RYAM), which is now a new independent specialty chemicals company. Public trading of Rayonier Advanced Materials will commence in the “regular way” with the opening bell of the New York Stock Exchange this morning under the “RYAM” ticker symbol. The separation was effected by means of a tax-free spin-off of 100 percent of the common stock of Rayonier Advanced Materials to Rayonier shareholders of record as of the close of business on June 18, 2014.

As previously announced, effective as of the completion of the spin-off, Richard Kincaid is Chairman of the Board of Rayonier, and David Nunes is Rayonier’s President and CEO.

“We wish our colleagues at Rayonier Advanced Materials well as they embark on their promising and exciting future as an independent company,” stated Nunes. “While operating these businesses together provided tremendous value to our shareholders over a period of more than eight decades, we are confident that this transaction will provide even greater value for Rayonier shareholders as we look to the future. Rayonier has a bright future as a pure-play timber and real estate business, with excellent assets and financial flexibility that will enable continued growth.”

Certain statements in this document regarding anticipated financial, legal or other outcomes including business and market conditions, outlook and other similar statements relating to Rayonier’s future events, developments or financial or operational performance or results, are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are identified by the use of words such as “may,” “will,” “should,” “expect,” “estimate,” “believe,” “intend,” “anticipate” and other similar language. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking.

While we believe that these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements.

Although we believe that the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such risks and uncertainties include, but are not limited to: the cyclical and competitive nature of the industries in which we operate; fluctuations in demand for, or supply of, forest products and real estate offerings; the geographic concentration of a significant portion of our timberland; impacts of the rising costs of fuel, including the cost and availability of third party logging and trucking services; our ability to identify, finance and complete timberland acquisitions; changes in environmental laws and regulations, including laws regarding timber harvesting, delineation of wetlands and endangered species that may restrict or adversely impact our ability to conduct our business; adverse weather conditions, natural disasters and other catastrophic events such as hurricanes, wind storms and wildfires, which can adversely affect our timberlands; our capacity to incur additional debt, and any decision we make to do so; our ability to complete like-kind exchanges of property; changes in key management and personnel; our ability to meet all necessary legal requirements to continue to qualify as a real estate investment trust ("REIT") and to fund distributions using cash generated through our taxable REIT subsidiaries; and changes in tax laws that could adversely affect tax treatment of our specific businesses or reduce the benefits associated with REIT status. Other important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements that may have been made in this document are described in Rayonier's most recent Form 10-K and 10-Q on file with the U.S. Securities and Exchange Commission. Rayonier assumes no obligation to update these statements except as required by law.

About Rayonier

Comprised of Forest Resources and Real Estate businesses, Rayonier Inc. is a geographically diverse global land resources company. The company owns, leases, or manages 2.6 million acres of high-quality timberlands in North America and New Zealand. Its holdings include 2.3 million acres across ten U.S. states and approximately 200,000 high-value acres with residential, commercial and industrial development potential along the Interstate 95 corridor between Savannah, Ga., and Daytona Beach, Fla. Rayonier is structured as a real estate investment trust. More information is available at www.rayonier.com.

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