

**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**
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

January 23, 2014

RAYONIER INC.

COMMISSION FILE NUMBER 1-6780

**Incorporated in the State of North Carolina
I.R.S. Employer Identification Number 13-2607329**

**1301 Riverplace Boulevard, Jacksonville, Florida 32207
(Principal Executive Office)**

Telephone Number: (904) 357-9100

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligations 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))

RAYONIER INC.
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ITEM 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On January 23, 2014, the Compensation and Management Development Committee (the “Committee”) of Rayonier Inc. (the “Company”) approved agreements (the “Transaction Bonus Agreements”) with each of the Company’s executive officers, including each named executive officer, in connection with the Company’s announcement of its intention to spin off its performance fibers business as a separate public company (the “Performance Fibers Company”). Assuming all conditions to payment are satisfied, the Transaction Bonus Agreements provide for the lump sum payment of the following transaction bonus amounts in cash to the Company’s named executive officers: \$1,650,000 to Paul G. Boynton, the Company’s Chairman, President and Chief Executive Officer, \$700,000 to Hans E. Vanden Noort, the Company’s Senior Vice President and Chief Financial Officer, and \$580,000 to Jack M. Kriesel, the Company’s Senior Vice President, Performance Fibers.

To earn the transaction bonus, the executive must remain continuously employed with the Company or the Performance Fibers Company, as applicable, through an “eligibility period”, work diligently and in good faith through such period as determined in the sole discretion of the Committee and satisfy certain other conditions as specified in the agreement. The “eligibility period” is defined as the period beginning on the effective date of the Transaction Bonus Agreements through the date that is six months after the closing of the spinoff transaction or, if the spinoff transaction is abandoned, through December 31, 2014. The transaction bonus will also be earned if the executive’s employment is terminated without cause by the applicable employer before the end of the eligibility period and the executive otherwise satisfies the conditions specified in the Transaction Bonus Agreement.

The conditions to payment of the transaction bonus also will be deemed satisfied if a change in control, as defined in the applicable employer’s incentive stock plan, occurs with respect to the executive’s employer before the end of the eligibility period. However, for certain executives, including the named executive officers, if the executive becomes entitled to benefits under the Company’s Executive Severance Pay Plan or any similar plan of the Performance Fibers Company as a result of a change in control that occurs during the eligibility period or the six months immediately thereafter, those benefits will be reduced by the amount of any transaction bonus earned.

The foregoing summary of the Transaction Bonus Agreement does not purport to be complete and is qualified in its entirety by reference to the text of the Transaction Bonus Agreement, the form of which is attached to this Report as Exhibit 10.1 and which is incorporated herein by reference.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 Form of Transaction Bonus Agreement

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. (Registrant)

BY: /s/ HANS E. VANDEN NOORT

Hans E. Vanden Noort
Senior Vice President and
Chief Financial Officer

January 29, 2014

EXHIBIT INDEX

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>	<u>LOCATION</u>
10.1	Form of Transaction Bonus Agreement	Filed herewith

January 24, 2014

NAME
Rayonier Inc
1301 Riverplace Blvd.
Jacksonville, FL 32207

Transaction Bonus Agreement

Dear NAME:

As you are aware, it was announced that Rayonier Inc. ("**Rayonier**") believes that it is in its shareholders' best interest to separate Rayonier into two publicly traded companies (the "**Spinoff Transaction**") - one focused on Timber and Real Estate and a new corporation focused on Performance Fibers and other performance materials ("**PFCo**"). You are an important member of our team and your continued commitment to facilitate the Spinoff Transaction and remain employed with us through at least six months following the date of the closing of the Spinoff Transaction is crucial to our continued success. The period from today through the date that is six months after the closing of the Spinoff Transaction or through December 31, 2014 if the Spinoff Transaction is abandoned, is referred to in this agreement as the "**Eligibility Period**".

To acknowledge the value of your commitment to this joint effort in successfully completing the Spinoff Transaction and helping to transition Rayonier to two publicly traded companies, this letter agreement describes a "transaction bonus" to which you will become entitled upon the satisfaction of certain conditions and compliance with the other terms of this agreement. After you have reviewed this agreement, please execute a copy where indicated after my signature below and return it to me to acknowledge your understanding and agreement with its terms.

A. Transaction Bonus

Contingent upon your satisfaction of the Eligibility Conditions described below, you will become entitled to a bonus equal to \$_____ (your "**Transaction Bonus**") at the conclusion of the Eligibility Period in accordance with the terms of this letter agreement.

B. Eligibility Conditions

The "**Eligibility Conditions**" (all of which must be satisfied) are as follows:

(i) **Performance Conditions.** You have continued to work diligently and in good faith for, and in the interests of your employer (whether it be Rayonier and/or PFCo), and its shareholders and affiliates through the end of the Eligibility Period or, if earlier, the date of your Qualifying Termination (defined below), as determined in the sole discretion of the Compensation and Management Development Committee of the Rayonier Board of Directors. It is understood that your duties during the Eligibility Period may include additional or different responsibilities to those performed today, as you assist in the transition of each company to independent operation.

(ii) **Employment Condition.** You are continuously employed by Rayonier and/or PFCo from the date of this agreement through the end of the Eligibility Period; *provided, however*, that if your

employment with Rayonier or PFCo (as applicable) is terminated without Cause (as defined in Rayonier's Severance Plan, prior to the end of the Eligibility Period (a "**Qualifying Termination**"), you will be deemed to have satisfied the employment condition.

(iii) **Confidentiality Condition.** You have kept the terms of this agreement in strict confidence, it being acknowledged that this letter agreement constitutes confidential information of Rayonier and is subject to the terms of agreements you have previously executed and delivered with respect to your obligations to maintain the confidentiality of Rayonier's confidential information (without regard to the fact that Rayonier and/or PFCo may have a legal obligation to disclose the terms of this agreement).

Notwithstanding the foregoing, in the event that while you are employed by Rayonier or PFCo a "change in control" (as defined in your employer's Incentive Stock Plan) occurs with respect to your employer prior to the end of the Eligibility Period, the Eligibility Conditions will be deemed satisfied as of the date of the Change in Control of your employer.

C. Payment of Your Transaction Bonus.

Upon confirmation that you have satisfied the Eligibility Conditions, your Transaction Bonus will be paid to you in a lump sum, less required deductions and withholding, within ten (10) days following the end of the Eligibility Period; provided that, if you satisfy the employment condition because you experience a Qualifying Termination, payment will be made within ten (10) days following your execution and non-revocation of a release of claims against Rayonier, PFCo and their respective affiliates within the applicable time periods set forth in the release.

D. Covenants

By your signature below, you acknowledge and agree that the agreements you have made in this agreement are reasonable and that, without limiting the rights or remedies of Rayonier, PFCo or their respective affiliates under any other agreement or arrangement, if you violate the terms of this agreement at any time, you will forfeit the right to your Transaction Bonus and, if the Transaction Bonus has been paid, you hereby agree that you will forthwith repay the full amount thereof to Rayonier or PFCo or the applicable affiliate that paid the Transaction Bonus to you, and you consent to Rayonier, PFCo or such affiliate, to the extent permitted by law, deducting the amount of your Transaction Bonus previously paid from any amounts Rayonier, PFCo or such affiliate owes to you.

E. Coordination with Other Plans and Arrangements

Your entitlement to receive a Transaction Bonus does not affect your right to receive severance upon any termination of employment under any existing severance plan or policy of Rayonier or a Rayonier affiliate, or any other benefit to which you may be legally entitled under any existing plan of Rayonier or a Rayonier affiliate, except as specifically provided herein. The Transaction Bonus shall not count toward or be considered in determining payments or benefits due under any other plan, program or agreement in which you are eligible or to which you are a party. Notwithstanding the foregoing, you acknowledge that if you become entitled to benefits under the Rayonier Executive Severance Pay Plan, dated December, 2007 or any substantially identical plan adopted by Rayonier or PFCo (each a "Senior Executive Severance Plan") as a result of a Change in Control (as defined in such Senior Executive Severance Plan) occurring during the Eligibility Period or the six-month period immediately following the Eligibility Period, the benefits under the Senior Executive Severance Plan will be reduced by the amount of any Transaction Bonus to which you become entitled.

Your Transaction Bonus is intended to constitute a payment pursuant to the "short-term deferral" exception under Code Section 409A, and this agreement will be interpreted consistent with that intent and operate

in accordance with the requirements of Code Section 409A, including any applicable exceptions. Notwithstanding anything in this agreement to the contrary, in no event will your Transaction Bonus be paid later than two and one-half months after the last day of the fiscal year in which you become entitled to it.

F. **Miscellaneous.**

Nothing in this agreement shall be construed as changing your status as an employee-at-will of your employer and its affiliates during the Eligibility Period or at any other time.

The terms and provisions of this agreement shall be binding on and inure to your benefit, your heirs, executors, administrators, and other legal representatives and shall be binding on and inure to the benefit of your employer (whether Rayonier or PFCo) and its affiliates, successors and assigns. Rayonier shall have the right to assign this letter in connection with the Spinoff Transaction and, following the Spinoff Transaction, the entity to which this letter is assigned shall be the sole obligor under this agreement.

This agreement constitutes the entire agreement between the parties with respect to the Transaction Bonus and no other agreement, oral or otherwise, shall be binding upon the parties unless it is in writing and signed by the party against whom enforcement is sought. There are no promises, representations, inducements or statements between the parties with respect to this matter other than those that are expressly contained in this agreement.

If any provision of this agreement is held by a court of competent jurisdiction to be void or unenforceable for any reason, in whole or in part, the remaining provisions of this agreement, or their remaining portions, will nevertheless continue with full force and effect, and you agree that a court of competent jurisdiction will have jurisdiction to reform such provision to the extent necessary to cause it be to enforceable to the maximum extent permitted by law, and you agree to be bound by such reformation.

This agreement shall be governed by and construed in accordance with the laws of the State of Florida.

* * * *

Please indicate your understanding and agreement with the above by signing the attached copy of this agreement and returning it to the attention of James L. Posze, Jr.

RAYONIER INC.

By: _____
Title: SVP, Human Resources

ACCEPTED AND AGREED:

NAME

Date: