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August 19, 2014

Federal Election Commission
Office of General Counsel
999 E Street, N.W.
Washington, DC 20463

Re: Advisory Opinion Request Regarding Disaffiliation of Rayonier Advanced Materials Inc. and Rayonier Inc. for Purposes of Rayonier Advanced Materials Inc.'s Recently-Established Separate Segregated Fund

Dear Commissioners:

Please accept this request, on behalf of Rayonier Advanced Materials Inc. ("RYAM"), for an advisory opinion from the Federal Election Commission (FEC or the "Commission") pursuant to 11 C.F.R. §112.1(a). RYAM seeks advice to confirm its belief that it is sufficiently disaffiliated from Rayonier Inc. ("Rayonier") such that its recently-established Separate Segregated Fund (the Rayonier Advanced Materials Inc. Good Government Committee – C00566760) would be considered independent and detached from Rayonier's PAC (the Rayonier Inc. Good Government Committee – C00451757) for the purposes of the regulatory requirements set forth in 11 C.F.R. §100.5 and 11 C.F.R. §110.3.

RYAM has operated as an independent, publicly-traded company since June 27, 2014, when Rayonier completed its tax-free special distribution of RYAM common stock ("the spin-off"). None of RYAM's stock, which began "regular way" trading on the New York Stock Exchange ("NYSE") on June 30, 2014, is currently held or controlled by Rayonier, nor does Rayonier exercise any authority or control over the operations of RYAM. As such, RYAM is not, and should not be considered a subsidiary or affiliate of Rayonier, and the FEC should refrain from treating RYAM's newly-established PAC as affiliated with Rayonier's existing PAC.

In making disaffiliation determinations, the Commission first examines the relationship between the petitioning organizations to determine if it is one that requires "automatic affiliation" under FEC rules and regulations. See 11 C.F.R. § 100.5(g)(3)(i)-(iv). In situations not triggering automatic affiliation, the Commission subsequently undertakes a factual analysis of the organizational relationship to determine whether formal affiliation or disaffiliation is appropriate. In doing so, the Commission will weigh the relationship between the entities based

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upon the factors listed in 11 C.F.R. § 100.5(g)(4)(ii)(A)-(J). Given that the association between RYAM and Rayonier does not involve parent and subsidiary corporations, associated labor unions, or connected membership organizations, it is readily apparent that automatic affiliation is inapplicable in the present case. Rather, the FEC will need to examine the relationship between RYAM and Rayonier in light of the aforementioned § 100.5(g)(4)(ii) factors to determine if affiliation or disaffiliation is appropriate. To assist the Commission with this process, RYAM has endeavored to provide additional data in this correspondence regarding each of those standards. While none of these factors is considered dispositive to an affiliation determination, it is RYAM's assertion that the facts presented below clearly indicate that Rayonier and RYAM should be disaffiliated for the purposes of PAC operations and activities.

Before addressing any of these pertinent factors, however, RYAM would like to stress the fact that its newly-formed PAC is a corporate separate segregated fund that is wholly independent of Rayonier, its employees, and its officers. The Rayonier Advanced Materials Inc. Good Government Committee ("RYAM PAC") is designed solely to serve the distinct business and public policy needs of RYAM's employees and representatives, and will be administered only by RYAM personnel. As such, there is absolutely no compelling reason for the FEC to suspect that RYAM PAC has or will have any affiliation or formal connection with Rayonier's existing PAC. In light of these facts, RYAM provides the following information to the Commission regarding the character of its current business relationship with Rayonier, and the autonomous nature of RYAM PAC.

Rayonier Has No Interest in RYAM Voting Stock or Securities.

RYAM is a distinct, publicly-traded company specializing in the manufacturing and sale of performance fibers (*i.e.*, cellulose-based polymers) that was formed via a tax-free spin-off from Rayonier in June 2014. Prior to the completion of that spin-off, RYAM's performance fibers business was a wholly-owned business unit of Rayonier, which also operated distinct business units specializing in forest resources and real estate. However, on May 27, 2014, the Board of Directors of Rayonier approved the separation of the company's three business units, with the forest resources and real estate business units continuing to be owned and operated by Rayonier and the performance fibers business unit coming under the ownership and control of a new, publicly-traded corporation – RYAM.

The establishment of RYAM as an autonomous corporation was accomplished through a special distribution of common stock to the existing shareholders of Rayonier. Under this distribution, each Rayonier shareholder received one share of RYAM common stock for every three shares of Rayonier common stock held at the close of business on June 18, 2014. This distribution of stock was completed on June 27, 2014. RYAM common stock began trading on the New York Stock Exchange ("NYSE") on a "when issued" basis, however, on June 16, 2014. RYAM's common stock commenced "regular-way" trading on the NYSE on June 30, 2014 and has been publicly traded since that time.

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As a result of the above corporate spin-off, public shareholders now own 100% of RYAM's outstanding stock. Although some current RYAM stockholders who held Rayonier shares on June 18, 2014 continue to hold such shares, Rayonier itself owns none of RYAM's common stock. In turn, Rayonier has no controlling interest in RYAM's voting stock (*i.e.*, common stock) or other securities.

Rayonier Has No Authority to Direct or Participate in the Governance of RYAM.

At present, Rayonier has no ability to direct or participate in the corporate governance of RYAM. This is due in large part to the complete institutional separation that exists between the two corporate entities following RYAM's spin-off. As noted above, Rayonier owns none of RYAM's common stock and therefore cannot directly influence the operations or governance activities of RYAM as a company through shareholder action (or otherwise). Likewise, due to its lack of an ownership stake in RYAM stock, Rayonier cannot directly or indirectly compel the leadership of RYAM to take any particular corporate action. In light of these facts, there is no reasonable basis to claim that Rayonier (as an institution) has any first-hand authority to direct or participate in RYAM's corporate governance.

Along the same lines, there is no substantive reason to assert that Rayonier, through its selection of RYAM's initial Board of Directors and first President/CEO, has any second-hand ability to direct or participate in RYAM's corporate governance. As is common in all corporate spin-offs, the divesting entity (Rayonier) played a direct role in the selection of the initial corporate leadership of the 'divested' entity (RYAM). Specifically, when organizing the separation of RYAM, Rayonier's then corporate officers and Directors elected the following individuals to serve as RYAM's new Board of Directors: Paul G. Boynton (who also serves as Chairman of the Board, President and CEO of RYAM); C. David Brown II (who also serves as Lead Director of the Board of RYAM); DeLyle W. Bloomquist; Mark E. Gaumond; James F. Kirsch; Lisa M. Palumbo; James H. Miller; Thomas I. Morgan; and Ronald Townsend. Leading up to the spin-off, six of those nine individuals were serving as Rayonier Directors – *i.e.* Boynton, Brown, Gaumond, Miller, Morgan and Townsend. Immediately preceding their election to the RYAM Board of Directors, however, all six individuals resigned from the Rayonier Board and divested themselves of all responsibility for the management and governance of Rayonier. Since that time, all six of those new RYAM Directors have worked for and acted only on behalf of RYAM. As such, there is no leadership overlap between RYAM and Rayonier – each corporation has its own independent Board of Directors, and no person concurrently serves as a Board member for both companies.

As indicated above, it is commonplace in spin-off scenarios for the "parent" company to elect the initial Board of Directors and officers of the company being divested. Such engagement by the divesting entity in no way indicates a desire by it to maintain ongoing control over the corporate governance of the business entity being divested. Rather, it is a necessary precursor to independent corporate governance by the divested company. This is precisely what

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occurred in the instant spin-off, as Rayonier participated in the election of the RYAM corporate leadership structure to prepare RYAM for its post-separation independence. Aside from this basic action, however, Rayonier has had no influence over RYAM corporate governance. In fact, since the completion of the spin-off at 11:59 PM on June 27, 2014, Rayonier has had no ability to manage or exercise control over the day-to-day governance decisions of RYAM. Since that time and date, all authority to direct or participate in RYAM's corporate governance has rested solely with the company's shareholders, Board of Directors, officers, and management.

Despite RYAM's independence from Rayonier, it is worth noting that Rayonier and RYAM will continue, for a limited amount of time, to have some interrelated activities as a result of the orderly separation of the two companies. The nature of this interaction is set forth in a series of separation-related agreements between the companies, which were approved by the U.S. Securities and Exchange Commission ("SEC") and are discussed in greater detail later in this Advisory Opinion Request. All of these agreements between RYAM and Rayonier were designed purely to facilitate the orderly separation of the two companies and to protect the legal rights, responsibilities, and obligations associated with each entity following the spin-off. None of the described agreements, however, provide Rayonier with the ability to direct or participate in the governance of RYAM. As such, the existence of continuing contractual relationships between RYAM and Rayonier should in no way be seen as impacting the autonomy of RYAM's corporate leadership.

Rayonier Has No Present Authority to Hire, Appoint, Promote, Demote or Control RYAM's Employees or Officers.

Although Rayonier's Board of Directors elected the individuals who now serve on RYAM's initial Board of Directors and likewise selected RYAM's first President/CEO, Rayonier has no present authority or ability to hire, appoint, promote, demote, or otherwise control the officers or other decision-making employees of RYAM. All existing personnel and managerial decisions associated with RYAM and its business operations reside solely with RYAM's Board of Directors, corporate officers and management. Thus, despite the fact that Rayonier had a limited opportunity to shape the hiring, appointment and personnel decisions of RYAM through the selection of its initial leadership, all such influence over RYAM's management ceased as of June 27, 2014 when the spin-off was completed and RYAM became an independent, publicly-traded entity. From that date forward, Rayonier has had no ability to exercise control over RYAM's day-to-day operations and no influence over RYAM's personnel and managerial decisions.

Rayonier and RYAM Have No Common or Overlapping Members, Employees, or Officers.

Since the date of RYAM's spin-off from Rayonier, there has been no overlapping employment among the two companies. RYAM has functioned as a truly independent company

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with its own autonomous management structure and work force. As such, RYAM has shared no common or overlapping members, employees or officers with Rayonier, and Rayonier has shared no common or overlapping members, employees or officers with RYAM. This will continue to be the case moving forward as both companies seek unique business opportunities.

RYAM Does Have Officers or Employees Who Were Former Officers or Employees of Rayonier, But This Relationship Is Representative of a Typical Corporate Spin-Off and Does Not Indicate an Ongoing Business Affiliation or the Creation of a Successor Company.

It is inevitable in any scenario involving a corporate spin-off that a number of employees of the newly-divested company would be former employees of the corporate parent entity. Such a relationship between the companies, however, does not mean that there will be a clear business affiliation between the entities. Nor does such a relationship indicate that the new company is a “successor” to the original corporation. This is the case with regard to the RYAM-Rayonier spin-off – RYAM employs a number of former Rayonier personnel, but it is not legally affiliated with Rayonier (as of the date of the spin-off) or deemed a successor to Rayonier's corporate interests as a result of the spin-off.

At present, the only factor linking existing RYAM employees and officers to their previous employment with Rayonier is the fact that many of them still maintain limited employment “benefits” earned before the spin-off as a result of their past service with Rayonier. For example, certain RYAM employees and officers received stock options and other stock-based compensation from Rayonier prior to the spin-off that continue to be exercisable under the requirements of Rayonier's stock incentive plans. These limited carryover rights do not indicate any attempt by the corporations to establish an ongoing business affiliation or a predecessor-successor framework.

Rayonier Does Not Provide RYAM with a Significant Amount of Funds or Goods, Nor Does Rayonier Assist RYAM with Fundraising or Administrative Costs.

Since the completion of the spin-off on June 27, 2014, RYAM has been financially, administratively and operationally independent of Rayonier. As part of the corporate separation process, however, RYAM and Rayonier entered into a series of agreements to facilitate the separation and provide a framework for the relationship between the companies after their disintegration. Included among those covenants were a Separation and Distribution Agreement, a Transition Services Agreement, a Tax Matters Agreement, an Employee Matters Agreement, and an Intellectual Property Agreement. These agreements provided for the allocation between RYAM and Rayonier's assets, employees, liabilities, and obligations (including investments, property and employees benefits and tax-related assets and liabilities) attributable to periods prior to, at and after RYAM's spin-off, and continue to govern certain relationships between RYAM and Rayonier after the separation. Such agreements are commonplace and customary in

spin-offs like this one, are a basic component of the legal process associated with the orderly separation of two business entities, and should not be viewed as evidence of any formal affiliation between RYAM and Rayonier. To better establish this fact, additional information concerning each of the agreements (which were approved by the SEC) has been provided below for the Commission's consideration.

The Separation and Distribution Agreement ("SDA") entered into by and between RYAM and Rayonier (*attached hereto as EXHIBIT #1*) primarily describes the legal steps required and conditions precedent to completion of the spin-off, and identifies the assets and liabilities to be allocated and transferred as a result of the separation of the two companies. In addition, without limitation, the SDA: provides for the mutual indemnification of both RYAM and Rayonier in order to maintain the independence of their respective businesses; provides for the allocation between the companies as to the rights and obligations under existing insurance policies (and sets forth procedures for the administration of any potential insured claims); and establishes a clear framework for payment of all costs and expenses incurred in connection with the spin-off. In this context, the SDA specifically makes clear that all costs and expenses incurred in connection with the RYAM-Rayonier separation and distribution, including costs and expenses related to legal, tax, financial and accounting advisory work, were paid for by the company that incurred such costs and expenses (or otherwise appropriately allocated under the terms of the SDA). As such, the SDA clearly reflects an effort on the part of both RYAM and Rayonier to divide their administrative and operational costs during the separation process, and to institute a firm financial segregation between entities post spin-off. RYAM continues this financial, administrative and operational independence from Rayonier at present and will continue to do so moving forward.

The Transition Services Agreement ("TSA") entered into by and between RYAM and Rayonier (*attached hereto as EXHIBIT #2*) prior to the spin-off establishes a framework for both corporate entities to provide one another with limited, short-duration administrative services during the course of the separation and on a transitional basis following its completion. The purpose of the TSA is to ensure that certain limited administrative functions provided to the employees of both companies (namely, information technology, accounts payable, payroll, administrative assistance, and other similar services) continue seamlessly during and immediately after the spin-off. At present, several components of the TSA have already terminated, and the remainder are expected to terminate in the next three to twelve months. In the interim period, the provision of such services by and between RYAM and Rayonier will entail a certain amount of coordination between both companies. Such coordination, however, will not involve extensive administrative or financial support of RYAM by Rayonier, or vice-versa. As such, the continued operation of limited TSA components does not present any future opportunity for substantial business entanglement between RYAM and Rayonier.

In addition to the SDA and TSA described above, RYAM and Rayonier also entered into a Tax Matters Agreement ("TMA"), Employee Matters Agreement ("EMA"), and Intellectual

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Property Agreement ("IPA") as part of their corporate separation. As the name of the agreement implies, the TMA (*attached hereto as EXHIBIT #3*) allocates the post spin-off rights, responsibilities and obligations of RYAM and Rayonier with respect to taxes, tax attributes, the preparation and filing of tax returns, the control of potential future audits related to pre-spin periods and other similar matters. Meanwhile, the EMA (*attached hereto as EXHIBIT #4*) apportions the post-separation liabilities and responsibilities of RYAM and Rayonier with respect to employment matters, employee compensation and benefits plans and programs, and other similar labor and employment issues. Finally, the IPA (*attached hereto as EXHIBIT #5*) addresses various intellectual property rights issues associated with the spin-off, including the granting of reciprocal licenses by both RYAM and Rayonier to use and make improvements on the intellectual property of the other company that was used in their specific business processes prior to the separation.

At present, each of these three agreements remain in effect and continue to define the contractual rights and responsibilities of RYAM and Rayonier with respect to the spin-off. The continued existence of these contractual obligations between RYAM and Rayonier in no way means that either company is financially or operationally supporting the day-to-day business activities of the other. To the contrary, in fact. The terms of these agreements make it abundantly clear that RYAM and Rayonier are distinct and wholly-independent legal entities with separate rights, responsibilities and obligations. In light of these facts, federal campaign finance law should treat them as disaffiliated for the purposes of their future PAC operations.

Rayonier Played No Role In The Formation of RYAM's PAC.

Rayonier and its corporate employees played no role whatsoever in the formation of RYAM's newly-established PAC. RYAM PAC, which recently filed its Form 1 Statement of Organization with the Commission, was organized, developed and created solely by RYAM personnel, including its corporate executives, board members, and other key administrative employees. It is these individuals (and these individuals only) that have worked to shape RYAM PAC's preliminary structural framework, to define the nature of RYAM PAC's future political engagement, and to determine what types of candidates and organizations RYAM PAC will support. Additionally, as would be expected of a fully-independent PAC, all financial and non-financial support associated with the launch of RYAM PAC as an autonomous entity came solely from its sponsoring organization – RYAM. In light of these facts, there is no credible reason to believe that the creation or establishment of RYAM PAC was in any way influenced or controlled by Rayonier.

RYAM's Newly-Established PAC Will Not Make or Receive Contributions in a Pattern Similar to Nor Establish Any Formal Relationship with Rayonier's PAC.

At present, RYAM PAC is in its early formative stages. As such, its specific solicitation and giving strategies have yet to be developed. It is anticipated, however, that such strategies

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will be devised in a manner that reflects the overall political and public policy goals of RYAM's employees and stockholders. While some of these goals may overlap with the political and public policy objectives of Rayonier's employees and shareholders, there is little reason to believe that RYAM PAC will make or receive contributions in a pattern similar to Rayonier's PAC. Nor is there reason to believe that RYAM PAC will attempt to establish any formal relationship with Rayonier's PAC.

As discussed previously, RYAM PAC intends to operate as a purely independent entity that is free from Rayonier influence. The PAC's structure, operation, solicitation methods, and giving strategies will all be formulated by RYAM personnel to fit the unique needs of RYAM employees and shareholders. There will be no coordination between RYAM and Rayonier for the purposes of operating their respective PACs, nor will there be any attempt on the part of RYAM to model its PAC activities on Rayonier's existing PAC activities. In sum, there will be no means by which to infer collaboration or affiliation between RYAM and Rayonier with regard to their existing separate segregated funds.

* * * * *

Thank you in advance for your consideration of RYAM's request for an Advisory Opinion. Should there be any questions regarding the nature of this request or any of the information provided in it, please do not hesitate to contact us.

Very truly yours,



Stefan C. Passantino
Benjamin P. Keane

Enclosures

EXHIBIT #1

Exhibit 2.1**SEPARATION AND DISTRIBUTION AGREEMENT****BY AND BETWEEN****RAYONIER INC.****AND****RAYONIER ADVANCED MATERIALS INC.****DATED AS OF MAY 28, 2014**

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SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of May 28, 2014 (this "Agreement"), is by and between Rayonier Inc., a North Carolina corporation ("Rayonier"), and Rayonier Advanced Materials Inc., a Delaware corporation ("SpinCo"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

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, SpinCo has been incorporated solely for these purposes and has not engaged in activities except in preparation for the Separation and the Distribution;

WHEREAS, for U.S. federal income tax purposes, the contribution by Rayonier of the SpinCo Assets and the SpinCo Liabilities to SpinCo (the "Contribution") and the Distribution, taken together, are intended to qualify as a transaction that is tax-free under Section 355 and 368(a)(1)(D) of the Code;

WHEREAS, Rayonier expects to receive a private letter ruling from IRS substantially to the effect that, among other things, the Contribution and the Distribution, taken together, will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Section 355 and 368(a)(1)(D) of the Code (the "IRS Ruling");

WHEREAS, SpinCo and Rayonier have prepared, and SpinCo has filed with the SEC, the Form 10, which includes the Information Statement, and which sets forth disclosure concerning SpinCo, the Separation and the Distribution; and

WHEREAS, each of Rayonier and SpinCo has determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of Rayonier, SpinCo and the members of their respective Groups following the Distribution.

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

For the purpose 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" shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person. For the purpose of this definition, "**control**" (including with correlative meanings, "**controlled by**" and "**under common control with**")**,** when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the SpinCo Group shall be deemed to be an Affiliate of any member of the Rayonier Group and (b) no member of the Rayonier Group shall be deemed to be an Affiliate of any member of the SpinCo Group.

"Agent" shall mean the trust company or bank duly appointed by Rayonier to act as distribution agent, transfer agent and registrar for the SpinCo Shares in connection with the Distribution.

"Agreement" shall have the meaning set forth in the Preamble.

"Ancillary Agreement" shall mean all agreements (other than this Agreement) entered into by the Parties or the members of their respective Groups (but as to which no Third Party is a party) in connection with the Separation, the Distribution, or the other transactions contemplated by this Agreement, including the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Intellectual Property Agreement, the Sublease Agreement and the Transfer Documents.

"Approvals or Notifications" shall mean any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

"Arbitration Request" shall have the meaning set forth in Section 7.3(a).

"Assets" shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other third Persons or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial

statements of such Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

"Cash Transfers" shall have the meaning set forth in Section 2.12.

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

"Contribution" shall have the meaning set forth in the Recitals.

"CPR" shall have the meaning set forth in Section 7.2.

"Delayed Rayonier Asset" shall have the meaning set forth in Section 2.4(h).

"Delayed Rayonier Liability" shall have the meaning set forth in Section 2.4(h).

"Delayed SpinCo Asset" shall have the meaning set forth in Section 2.4(c).

"Delayed SpinCo Liability" shall have the meaning set forth in Section 2.4(c).

"Disclosure Document" shall mean any registration statement (including the Form 10) filed with the SEC by or on behalf of any Party or any member of its Group, and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case which describes the Separation or the Distribution or the SpinCo Group or primarily relates to the transactions contemplated hereby.

"Dispute" shall have the meaning set forth in Section 7.1.

"Distribution" shall have 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.

"Distribution Ratio" shall mean a number equal to one *divided by* three.

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

"Employee Matters Agreement" shall mean the Employee Matters Agreement to be entered into by and between Rayonier and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement.

"Environmental Law" shall mean any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

"Environmental Liabilities" shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"First Cash Transfer" shall have the meaning set forth in **Section 2.12(a)**.

"First SpinCo Borrowing" shall have the meaning set forth in **Section 2.12(a)**.

"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.

"Form 10" shall mean the registration statement on Form 10 filed by SpinCo with the SEC to effect the registration of SpinCo Shares pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Distribution.

"Governmental Approvals" shall mean any Approvals or Notifications to be made to, or obtained from, any Governmental Authority.

"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.

"Hazardous Materials" shall mean any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in Liability under, or that

is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Indemnifying Party" shall have the meaning set forth in **Section 4.4(a)**.

"Indemnitee" shall have the meaning set forth in **Section 4.4(a)**.

"Indemnity Payment" shall have the meaning set forth in **Section 4.4(a)**.

"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; **provided** that "Information" shall not include Registrable IP.

"Information Statement" shall mean the information statement to be sent to the holders of Rayonier Shares in connection with the Distribution, as such information statement may be amended or supplemented from time to time prior to the Distribution.

"Initial Notice" shall have the meaning set forth in **Section 7.1**.

"Insurance Proceeds" shall mean those monies:

- (a) received by an insured from an insurance carrier; or
- (b) paid by an insurance carrier on behalf of the insured;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof; **provided, however,** with respect to a captive insurance arrangement, Insurance Proceeds shall only include amounts received by the captive insurer in respect of any reinsurance arrangement.

"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, registrations and related rights, (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.

"Intellectual Property Agreement" shall mean the Intellectual Property Agreement to be entered into by and between Rayonier and SpinCo or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement.

"IRS" shall mean the U.S. Internal Revenue Service.

"IRS Ruling" shall have the meaning set forth in the Recitals.

"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.

"Linked" shall have the meaning set forth in Section 2.9(a).

"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.

"Mediation Request" shall have the meaning set forth in Section 7.2.

"NYSE" shall mean the New York Stock Exchange.

"Other IP" shall mean all Intellectual Property, other than Registrable IP, that is owned by either Party or any member of its Group as of the Effective Time.

"Parties" shall mean the parties to this Agreement.

"Permits" means permits, approvals, authorizations, consents, licenses or certificates issued by any Governmental Authority.

"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.

"Plan of Reorganization" shall have the meaning set forth in Section 2.1(a).

"Prime Rate" means the rate that Bloomberg displays as "Prime Rate by Country United States" at www.bloomberg.com/markets/rates-bonds/key-rates/ or on a Bloomberg terminal at PRIMBB Index.

"Privileged Information" means any information, in written, oral, electronic or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a Party or any member of its Group would be entitled to assert or have asserted a privilege, including the attorney-client and attorney work product privileges.

"Project" shall have the meaning set forth in Section 8.2.

"Rayonier" shall have the meaning set forth in the Preamble.

"Rayonier Accounts" shall have the meaning set forth in Section 2.9(a).

"Rayonier Assets" shall have the meaning set forth in Section 2.2(b).

"Rayonier Board" shall have the meaning set forth in the Recitals.

"Rayonier Business" shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or discontinued) conducted at any time prior to the Effective Time by either Party or any member of its Group, other than the SpinCo Business.

"Rayonier Group" shall mean Rayonier and each Person that is a Subsidiary of Rayonier (other than SpinCo and any other member of the SpinCo Group).

"Rayonier Indemnitees" shall have the meaning set forth in Section 4.2.

"Rayonier Liabilities" shall have the meaning set forth in **Section 2.3(b)**.

"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 Shares" shall mean the common shares of Rayonier.

"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.

"Record Holders" shall mean the holders of record of Rayonier Shares as of the Record Date.

"Registrable IP" shall mean all patents, patent applications, statutory invention registrations, registered trademarks, registered service marks, registered Internet domain names and copyright registrations.

"Release" shall mean any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including, ambient air, surface water, groundwater and surface or subsurface strata).

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

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Second Cash Transfer" shall have the meaning set forth in **Section 2.12(a)**.

"Second SpinCo Borrowing" shall have the meaning set forth in **Section 2.12(a)**.

"Security Interest" shall mean any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

"Separation" shall have the meaning set forth in the Recitals.

"Shared Contract" shall have the meaning set forth in **Section 2.8(a)**.

"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.

"Sublease Agreement" shall mean the Sublease Agreement to be entered into by and between Rayonier and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement.

"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.

"SpinCo" shall have the meaning set forth in the Preamble.

"SpinCo Accounts" shall have the meaning set forth in Section 2.9(a).

"SpinCo Assets" shall have the meaning set forth in Section 2.2(a).

"SpinCo Balance Sheet" shall mean the pro forma combined balance sheet of the SpinCo Business, including any notes and subledgers thereto, as of March 31, 2014, as presented in the Information Statement mailed to the Record Holders.

"SpinCo Business" shall mean (a) the business, operations and activities of the Performance Fibers segment of Rayonier conducted at any time prior to the Effective Time by either Party or any of their current or former Subsidiaries and (b) any terminated, divested or discontinued businesses, operations and activities that, at the time of termination, divestiture or discontinuation, primarily related to the business, operations or activities described in clause (a) as then conducted, including those set forth on Schedule 1.2.

"SpinCo Bylaws" shall mean the Amended and Restated Bylaws of SpinCo, substantially in the form of Exhibit B.

"SpinCo Certificate of Incorporation" shall mean the Amended and Restated Certificate of Incorporation of SpinCo, substantially in the form of Exhibit A.

"SpinCo Contracts" shall mean the following contracts and agreements to which either Party or any member of its Group is a party or by which it or any member of its Group or any of their respective Assets is bound, whether or not in writing; provided that SpinCo Contracts shall not include (x) any contract or agreement that is contemplated to be retained by

Rayonier or any member of the Rayonier Group from and after the Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement or (y) any contract or agreement that would constitute SpinCo Software or SpinCo Technology:

- (a) any vendor contracts or agreements with a Third Party pursuant to which such Third Party provides information technology, human resources or financial services to either Party or any member of its Group primarily used or primarily held for use in the SpinCo Business as of the Effective Time;
- (b) other than any vendor contracts or agreements with a Third Party pursuant to which such Third Party provides information technology, human resources or financial services to either Party or any member of its Group (which contracts and agreements are addressed in clause (a) above to the extent that they shall constitute a SpinCo Contract), (i) any customer, distribution, supply or vendor contract or agreement entered into prior to the Effective Time exclusively related to the SpinCo Business and (ii) with respect to any customer, distribution, supply or vendor contract or agreement entered into prior to the Effective Time that relates to the SpinCo Business but is not exclusively related to the SpinCo Business, that portion of any such customer, distribution, supply or vendor contract or agreement that relates to the SpinCo Business;
- (c) other than any vendor contracts or agreements with a Third Party pursuant to which such Third Party provides information technology, human resources or financial services to either Party or any member of its Group (which contracts and agreements are addressed in clause (a) above to the extent that they shall constitute a SpinCo Contract), (i) any license entered into prior to the Effective Time exclusively related to the SpinCo Business and (ii) with respect to any license agreement entered into prior to the Effective Time that relates to the SpinCo Business but is not exclusively related to the SpinCo Business, that portion of any such license agreement that relates to the SpinCo Business;
- (d) any guarantee, indemnity, representation, covenant, warranty or other Liability of either Party or any member of its Group in respect of any other SpinCo Contract, any SpinCo Liability or the SpinCo Business;
- (e) any employment, change of control, retention, consulting, indemnification, termination, severance or other similar agreements with any SpinCo Group Employee or consultants of the SpinCo Group that are in effect as of the Effective Time;
- (f) any contract or agreement that is otherwise expressly contemplated pursuant to this Agreement or any of the Ancillary Agreements to be assigned to SpinCo or any member of the SpinCo Group;
- (g) any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements related exclusively to the SpinCo Business or entered into by or on behalf of any division, business unit or member of the SpinCo Group; and
- (h) any contracts, agreements or settlements listed on Schedule 1.3, including the right to recover any amounts under such contracts, agreements or settlements.

"SpinCo Designees" shall mean any and all entities (including corporations, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated by SpinCo that will be members of the SpinCo Group as of immediately prior to the Effective Time.

"SpinCo Financing Arrangements" shall have the meaning set forth in Section 2.12(a).

"SpinCo Group" shall mean (a) prior to the Effective Time, SpinCo and each Person that will be a Subsidiary of SpinCo as of immediately after the Effective Time, including the Transferred Entities, even if, prior to the Effective Time, such Person is not a Subsidiary of SpinCo; and (b) on and after the Effective Time, SpinCo and each Person that is a Subsidiary of SpinCo.

"SpinCo Indemnitees" shall have the meaning set forth in Section 4.3.

"SpinCo Intellectual Property" shall mean (a) the Registrable IP set forth on Schedule 1.4 and (b) all Other IP owned by, licensed by or to, or sublicensed by or to either Party or any member of its Group as of the Effective Time primarily used or primarily held for use in the SpinCo Business, including any Other IP set forth on Schedule 1.4.

"SpinCo Liabilities" shall have the meaning set forth in Section 2.3(a).

"SpinCo Permits" shall mean all Permits owned or licensed by either Party or member of its Group primarily used or primarily held for use in the SpinCo Business 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 all Software owned or licensed by either Party or member of its Group primarily used or primarily held for use in the SpinCo Business as of the Effective Time.

"SpinCo Technology" shall mean all Technology owned or licensed by either Party or any member of its Group primarily used or primarily held for use in the SpinCo Business as of the Effective Time.

"Tangible Information" means information that is contained in written, electronic or other tangible forms.

"Tax Matters Agreement" shall mean the Tax Matters Agreement to be entered into by and between Rayonier and SpinCo or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement.

"Tax Return" shall have the meaning set forth in the Tax Matters Agreement.

"Tax" shall have the meaning set forth in the Tax Matters Agreement.

"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.

"Third Party" means any Person other than the Parties or any members of their respective Groups.

"Third-Party Claim" shall have the meaning set forth in Section 4.5(a).

"Transfer Documents" shall have the meaning set forth in Section 2.1(b).

"Transferred Entities" shall mean the entities set forth on Schedule 1.5.

"Transition Committee" shall have the meaning set forth in Section 2.14.

"Transition Services Agreement" shall mean the Transition Services Agreement to be entered into by and between Rayonier and SpinCo or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement.

"Unreleased SpinCo Liability" shall have the meaning set forth in Section 2.5(a)(ii).

"Unreleased Rayonier Liability" shall have the meaning set forth in Section 2.5(b)(ii).

"Wayne County Bonds" shall mean the \$15,000,000 principal amount of Wayne County Tax Exempt Solid Waste Disposal Revenue Bonds, Series 2000, floating interest rate, of Rayonier, due May 1, 2020.

"Wayne County Loan Agreement" shall mean the Loan Agreement, dated as of May 1, 2000, between Wayne County Industrial Development Authority and Rayonier.

ARTICLE II THE SEPARATION

2.1 Transfer of Assets and Assumption of Liabilities.

(a) On or prior to the Effective Time, but in any case, prior to the Distribution, in accordance with the plan and structure set forth on Schedule 2.1(a) (the "Plan of Reorganization"):

(i) *Transfer and Assignment of SpinCo Assets.* Rayonier shall, and shall cause the applicable members of its Group to, contribute, assign, transfer, convey and deliver to SpinCo, or the applicable SpinCo Designees, and SpinCo or such SpinCo Designees shall accept from Rayonier and the applicable members of the Rayonier Group, all of Rayonier's and such Rayonier Group member's respective direct or indirect right, title and interest in and to all of the SpinCo Assets (it being understood that if any SpinCo Asset shall be held by a Transferred Entity or a wholly owned Subsidiary of a Transferred Entity, such SpinCo Asset may be assigned, transferred, conveyed and delivered to SpinCo as a result of the transfer of all of the equity interests in such Transferred Entity from Rayonier or the applicable members of the Rayonier Group to SpinCo or the applicable SpinCo Designee);

(ii) *Acceptance and Assumption of SpinCo Liabilities.* SpinCo and the applicable SpinCo Designees shall accept, assume and agree faithfully to perform, discharge and fulfill all the SpinCo Liabilities in accordance with their respective terms. SpinCo and such SpinCo Designees shall be responsible for all SpinCo Liabilities, regardless of when or where such SpinCo 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 SpinCo Liabilities are asserted or determined (including any SpinCo Liabilities arising out of claims made by Rayonier's or SpinCo's respective directors, officers, 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, agents, Subsidiaries or Affiliates;

(iii) *Transfer and Assignment of Rayonier Assets.* Rayonier and SpinCo shall cause SpinCo and the SpinCo Designees to contribute, assign, transfer, convey and deliver to Rayonier or certain members of the Rayonier Group designated by Rayonier, and Rayonier or such other members of the Rayonier Group shall accept from SpinCo and the SpinCo Designees, all of SpinCo's and such SpinCo Designees' respective direct or indirect right, title and interest in and to all Rayonier Assets held by SpinCo or a SpinCo Designee; and

(iv) *Acceptance and Assumption of Rayonier Liabilities.* Rayonier and certain of members of the Rayonier Group designated by Rayonier shall accept and assume and agree faithfully to perform, discharge and fulfill all of the Rayonier Liabilities held by SpinCo or any SpinCo Designee and Rayonier and the applicable members of the Rayonier Group shall be responsible for all Rayonier Liabilities in accordance with their respective terms, regardless of when or where such Rayonier Liabilities arose or arise, whether the facts on which they are based occurred prior to or subsequent to the Effective Time, where or against whom such Rayonier Liabilities are asserted or determined (including any such Rayonier Liabilities arising out of claims made by Rayonier's or SpinCo's respective directors, officers, 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, agents, Subsidiaries or Affiliates.

(b) *Transfer Documents.* In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) shall be referred to collectively herein as the "Transfer Documents".

(c) *Misallocations.* In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party (or any member of such Party's respective Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept such Asset. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for any such other Person. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party hereto (or any member of such Party's respective Group) shall receive or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Liability to the Party responsible therefor (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept, assume and agree to faithfully perform such Liability.

(d) *Waiver of Bulk-Sale and Bulk-Transfer Laws.* SpinCo hereby waives compliance by each and every member of the Rayonier Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the SpinCo Assets to any member of the SpinCo Group. Rayonier hereby waives compliance by each and every member of the SpinCo Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Rayonier Assets to any member of the Rayonier Group.

2.2 SpinCo Assets; Rayonier Assets.

(a) **SpinCo Assets.** For purposes of this Agreement, "SpinCo Assets" shall mean:

(i) all issued and outstanding capital stock or other equity interests of the Transferred Entities that are owned by either Party or any members of its Group as of the Effective Time;

(ii) all Assets of either Party or any of members of its Group included or reflected as assets of the SpinCo Group on the SpinCo Balance Sheet, subject to any dispositions of such Assets subsequent to the date of the SpinCo Balance Sheet; provided that the amounts set forth on the SpinCo Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of SpinCo Assets pursuant to this clause (ii);

(iii) all Assets of either Party or any of the members of its Group as of the Effective Time that are of a nature or type that would have resulted in such Assets being included as Assets of SpinCo or members of the SpinCo Group on a pro forma combined balance sheet of the SpinCo Group or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Assets included on the SpinCo Balance Sheet), it being understood that (x) the SpinCo Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of SpinCo Assets pursuant to this subclause (iii); and (y) the amounts set forth on the SpinCo Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of SpinCo Assets pursuant to this subclause (iii);

(iv) all Assets of either Party or any of the members of its Group as of the Effective Time that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be transferred to SpinCo or any other member of the SpinCo Group;

(v) all SpinCo Contracts as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time;

(vi) all SpinCo Intellectual Property, SpinCo Software and SpinCo Technology as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time, and any license of Intellectual Property of Rayonier or any member of the Rayonier Group to SpinCo or any member of the SpinCo Group pursuant to the terms of the Intellectual Property Agreement;

(vii) all SpinCo Permits as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time;

(viii) all Assets of either Party or any of the members of its Group as of the Effective Time that are exclusively related to the SpinCo Business;

(ix) all rights, interests and claims of either Party or any of the members of its Group as of the Effective Time with respect to Information that is exclusively related to the SpinCo Assets, the SpinCo Liabilities, the SpinCo Business or the Transferred Entities and, subject to the provisions of the applicable Ancillary Agreements, a non-exclusive right to all Information that is related to, but not exclusively related to, the SpinCo Assets, the SpinCo Liabilities, the SpinCo Business or the Transferred Entities; and

(x) any and all Assets set forth on Schedule 2.2(a)(x).

Notwithstanding the foregoing, the SpinCo Assets shall not in any event include any Asset referred to in clauses (i) through (iv) of Section 2.2(b).

(b) *Rayonier Assets.* For the purposes of this Agreement, "Rayonier Assets" shall mean all Assets of the either Party or the members of its Group as of the Effective Time, other than the SpinCo Assets, it being understood that the Rayonier Assets shall include:

(i) all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by Rayonier or any other member of the Rayonier Group;

(ii) all contracts of either Party or any of the members of its Group as of the Effective Time (other than the SpinCo Contracts);

(iii) all Intellectual Property of either Party or any of the members of its Group as of the Effective Time (other than the SpinCo Intellectual Property and other than any license of Intellectual Property of Rayonier or any member of the Rayonier Group to SpinCo or any member of the SpinCo Group pursuant to the terms of the Intellectual Property Agreement), including the Rayonier Name and Rayonier Marks and the Intellectual Property set forth on Schedule 2.2(b)(xiii);

(iv) all Permits of either Party or any of the members of its Group as of the Effective Time (other than the SpinCo Permits); and

(v) any and all Assets set forth on Schedule 2.2(b)(v).

2.3 SpinCo Liabilities; Rayonier Liabilities.

(a) *SpinCo Liabilities.* For the purposes of this Agreement, "SpinCo Liabilities" shall mean the following Liabilities of either Party or any of the members of its Group:

(i) all Liabilities included or reflected as liabilities or obligations of SpinCo or the members of the SpinCo Group on the SpinCo Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the SpinCo Balance Sheet;

provided that the amounts set forth on the SpinCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SpinCo Liabilities pursuant to this subclause (i);

(ii) all Liabilities as of the Effective Time that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of SpinCo or the members of the SpinCo Group on a pro forma combined balance sheet of the SpinCo Group or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the SpinCo Balance Sheet), it being understood that (x) the SpinCo Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of SpinCo Liabilities pursuant to this subclause (ii); and (y) the amounts set forth on the SpinCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SpinCo Liabilities pursuant to this subclause (ii);

(iii) all Liabilities, including any Environmental Liabilities, relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the SpinCo Business or a SpinCo Asset;

(iv) any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by SpinCo or any other member of the SpinCo Group, and all agreements, obligations and Liabilities of any member of the SpinCo Group under this Agreement or any of the Ancillary Agreements;

(v) all Liabilities relating to, arising out of or resulting from the SpinCo Contracts, the SpinCo Intellectual Property, the SpinCo Software, the SpinCo Technology, the SpinCo Permits or SpinCo Financing Arrangements;

(vi) any and all Liabilities set forth on Schedule 2.3(a);

(vii) all Liabilities arising out of claims made by any Third Party (including Rayonier's or SpinCo's respective directors, officers, shareholders, employees and agents) against any member of the Rayonier Group or the SpinCo Group to the extent relating to, arising out of or resulting from the SpinCo Business or the SpinCo Assets or the other business, operations, activities or Liabilities referred to in clauses (i) through (vi) above;

provided that, notwithstanding the foregoing, the Parties agree that the Liabilities set forth on Schedule 2.3(b) shall not be SpinCo Liabilities but instead shall be Rayonier Liabilities.

(b) *Rayonier Liabilities.* For the purposes of this Agreement, "Rayonier Liabilities" shall mean (i) all Liabilities relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time) of any member of the Rayonier Group and, prior to the Effective Time, any member of the SpinCo Group, in each case that are not SpinCo Liabilities, including any and all Liabilities set forth on Schedule 2.3(b); and (ii) all Liabilities arising out of claims made by any Third Party (including Rayonier's or SpinCo's respective directors, officers, shareholders, employees and agents) against any member of the Rayonier Group or the SpinCo Group to the extent relating to, arising out of or resulting from the Rayonier Business or the Rayonier Assets.

2.4 Approvals and Notifications.

(a) *Approvals and Notifications for SpinCo Assets.* To the extent that the transfer or assignment of any SpinCo Asset, the assumption of any SpinCo Liability, the Separation, or the Distribution requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Rayonier and SpinCo, neither Rayonier nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) *Delayed SpinCo Transfers.* If and to the extent that the valid, complete and perfected transfer or assignment to the SpinCo Group of any SpinCo Asset or assumption by the SpinCo Group of any SpinCo Liability would be a violation of applicable Law or require any Approvals or Notifications in connection with the Separation or the Distribution that has not been obtained or made by the Effective Time then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the SpinCo Group of such SpinCo Assets or the assumption by the SpinCo Group of such SpinCo Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such SpinCo Assets or SpinCo Liabilities shall continue to constitute SpinCo Assets and SpinCo Liabilities for all other purposes of this Agreement.

(c) *Treatment of Delayed SpinCo Assets and Delayed SpinCo Liabilities.* If any transfer or assignment of any SpinCo Asset or any assumption of any SpinCo Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time, whether as a result of the provisions of Section 2.4(b) or for any other reason (any such SpinCo Asset, a "Delayed SpinCo Asset" and any such SpinCo Liability, a "Delayed SpinCo Liability"), then, insofar as reasonably possible and subject to applicable Law, the member of the Rayonier Group retaining such Delayed SpinCo Asset or such Delayed SpinCo Liability, as the case may be, shall thereafter hold such Delayed SpinCo

Asset or Delayed SpinCo Liability, as the case may be, for the use and benefit of the member of the SpinCo Group entitled thereto (at the expense of the member of the SpinCo Group entitled thereto). In addition, the member of the Rayonier Group retaining such Delayed SpinCo Asset or such Delayed SpinCo Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed SpinCo Asset or Delayed SpinCo Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the SpinCo Group to whom such Delayed SpinCo Asset is to be transferred or assigned, or which will assume such Delayed SpinCo Liability, as the case may be, in order to place such member of the SpinCo Group in a substantially similar position as if such Delayed SpinCo Asset or Delayed SpinCo Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time to the SpinCo Group.

(d) *Transfer of Delayed SpinCo Assets and Delayed SpinCo Liabilities.* If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed SpinCo Asset or the deferral of assumption of any Delayed SpinCo Liability pursuant to Section 2.4(b), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed SpinCo Asset or the assumption of any Delayed SpinCo Liability have been removed, the transfer or assignment of the applicable Delayed SpinCo Asset or the assumption of the applicable Delayed SpinCo Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(e) *Costs for Delayed SpinCo Assets and Delayed SpinCo Liabilities.* Any member of the Rayonier Group retaining a Delayed SpinCo Asset or Delayed SpinCo Liability due to the deferral of the transfer or assignment of such Delayed SpinCo Asset or the deferral of the assumption of such Delayed SpinCo Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by SpinCo or the member of the SpinCo Group entitled to the Delayed SpinCo Asset or Delayed SpinCo Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by SpinCo or the member of the SpinCo Group entitled to such Delayed SpinCo Asset or Delayed SpinCo Liability.

(f) *Approvals and Notifications for Rayonier Assets.* To the extent that the transfer or assignment of any Rayonier Asset or the assumption of any Rayonier Liability requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Rayonier and SpinCo, neither Rayonier nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(g) *Delayed Rayonier Transfers.* If and to the extent that the valid, complete and perfected transfer or assignment to the Rayonier Group of any Rayonier Asset or assumption by the Rayonier Group of any Rayonier Liability would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Effective Time then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the Rayonier Group of such Rayonier Assets or the assumption by the Rayonier Group of such Rayonier Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such Rayonier Assets or Rayonier Liabilities shall continue to constitute Rayonier Assets and Rayonier Liabilities for all other purposes of this Agreement.

(h) *Treatment of Delayed Rayonier Assets and Delayed Rayonier Liabilities.* If any transfer or assignment of any Rayonier Asset or any assumption of any Rayonier Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time whether as a result of the provisions of this Section 2.4(h) or for any other reason (any such Rayonier Asset, a "Delayed Rayonier Asset" and any such Rayonier Liability, a "Delayed Rayonier Liability"), then, insofar as reasonably possible, the member of the SpinCo Group retaining such Delayed Rayonier Asset or such Delayed Rayonier Liability, as the case may be, shall thereafter hold such Delayed Rayonier Asset or Delayed Rayonier Liability, as the case may be, for the use and benefit of the member of the Rayonier Group entitled thereto (at the expense of the member of the Rayonier Group entitled thereto). In addition, the member of the SpinCo Group retaining such Delayed Rayonier Asset or such Delayed Rayonier Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Rayonier Asset or Delayed Rayonier Liability in the ordinary course of business in accordance with past practice. Such member of the SpinCo Group shall also take such other actions as may be reasonably requested by the member of the Rayonier Group to which such Delayed Rayonier Asset is to be transferred or assigned, or which will assume such Delayed Rayonier Liability, as the case may be, in order to place such member of the Rayonier Group in a substantially similar position as if such Delayed Rayonier Asset or Delayed Rayonier Liability had been transferred, assigned or assumed and so that all the benefits and burdens relating to such Delayed Rayonier Asset or Delayed Rayonier Liability, and all costs and expenses related thereto, shall inure from and after the Effective Time to the Rayonier Group.

(i) *Transfer of Delayed Rayonier Assets and Delayed Rayonier Liabilities.* If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Rayonier Asset or the deferral of assumption of any Delayed Rayonier Liability, are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed Rayonier Asset or the assumption of any Delayed Rayonier Liability have been removed, the transfer or assignment of the applicable Delayed Rayonier Asset or the assumption of the applicable Delayed Rayonier Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(j) *Costs for Delayed Rayonier Assets and Delayed Rayonier Liabilities.* Any member of the SpinCo Group retaining an Delayed Rayonier Asset or Delayed Rayonier

Liability due to the deferral of the transfer or assignment of such Delayed Rayonier Asset or the deferral of the assumption of such Delayed Rayonier Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Rayonier or the member of the Rayonier Group entitled to the Delayed Rayonier Asset or Delayed Rayonier Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Rayonier or the member of the Rayonier Group entitled to such Delayed Rayonier Asset or Delayed Rayonier Liability.

2.5 Novation of Liabilities.

(a) *Novation of SpinCo Liabilities.*

(i) Except as set forth in Schedule 2.5(a), each of Rayonier and SpinCo, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all SpinCo Liabilities and obtain in writing the unconditional release of each member of the Rayonier Group that is a party to any such arrangements, so that, in any such case, the members of the SpinCo Group shall be solely responsible for such SpinCo Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Rayonier nor SpinCo shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any third Person from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If Rayonier or SpinCo is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Rayonier Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased SpinCo Liability"), SpinCo shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the Rayonier Group, as the case may be, (i) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Rayonier Group that constitute Unreleased SpinCo Liabilities from and after the Effective Time and (ii) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Rayonier Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased SpinCo Liabilities shall otherwise become assignable or able to be novated, Rayonier shall promptly assign, or cause to be assigned, and SpinCo or the applicable SpinCo Group member shall assume, such Unreleased SpinCo Liabilities without exchange of further consideration.

(b) *Novation of Rayonier Liabilities.*

(i) Each of Rayonier and SpinCo, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as

reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Rayonier Liabilities and obtain in writing the unconditional release of each member of the SpinCo Group that is a party to any such arrangements, so that, in any such case, the members of the Rayonier Group shall be solely responsible for such Rayonier Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Rayonier nor SpinCo shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any third Person from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If Rayonier or SpinCo is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the SpinCo Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased Rayonier Liability"), Rayonier shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the SpinCo Group, as the case may be, (i) pay, perform and discharge fully all the obligations or other Liabilities of such member of the SpinCo Group that constitute Unreleased Rayonier Liabilities from and after the Effective Time and (ii) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the SpinCo Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Rayonier Liabilities shall otherwise become assignable or able to be novated, SpinCo shall promptly assign, or cause to be assigned, and Rayonier or the applicable Rayonier Group member shall assume, such Unreleased Rayonier Liabilities without exchange of further consideration.

2.6 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 2.5:

(a) On or prior to the Effective Time or as soon as practicable thereafter, each of Rayonier and SpinCo shall, at the request of the other Party and with the reasonable cooperation of such other Party and the applicable member(s) of such Party's Group, use commercially reasonable efforts to (i) have any member(s) of the Rayonier Group removed as guarantor or obligor for any SpinCo Liability to the extent that they relate to SpinCo Liabilities, including the removal of any Security Interest on or in any Rayonier Asset that may serve as collateral or security for any such SpinCo Liability; and (ii) have any member(s) of the SpinCo Group removed as guarantor or obligor for any Rayonier Liability to the extent that they relate to Rayonier Liabilities, including the removal of any Security Interest on or in any SpinCo Asset that may serve as collateral or security for any Rayonier Liability.

(b) To the extent required to obtain a release from a guarantee of:

(i) any member of the Rayonier Group, SpinCo shall execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the

removal of any Security Interest on or in any Rayonier Asset that may serve as collateral or security for any such Rayonier Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (i) with which SpinCo would be reasonably unable to comply or (ii) which SpinCo would not reasonably be able to avoid breaching; and

(ii) any member of the SpinCo Group, Rayonier shall execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any SpinCo Asset that may serve as collateral or security for any such SpinCo Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (i) with which Rayonier would be reasonably unable to comply or (ii) which Rayonier would not reasonably be able to avoid breaching.

(c) If Rayonier or SpinCo is unable to obtain, or to cause to be obtained, any such required removal or release as set forth in clauses (a) and (b) of this Section 2.6, (i) the Party or the relevant member of its Group that has assumed the Liability with respect to such guarantee shall indemnify, defend and hold harmless the guarantor or obligor against or from any Liability arising from or relating thereto in accordance with the provisions of Article IV and shall, as agent or subcontractor for such guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder; and (ii) each of Rayonier and SpinCo, on behalf of itself and the other members of their respective Group, agree not to renew or extend the term of, increase any obligations under, or transfer to a Third Party, any loan, guarantee, lease, contract or other obligation for which the other Party or a member of its Group is or may be liable unless all obligations of such other Party and the members of such other Party's Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to such other Party.

2.7 Termination of Agreements.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of Section 4.1, SpinCo and each member of the SpinCo Group, on the one hand, and Rayonier and each member of the Rayonier Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among SpinCo and/or any member of the SpinCo Group, on the one hand, and Rayonier and/or any member of the Rayonier Group, on the other hand, effective as of the Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.7(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after

the Effective Time); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.7(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party thereto; (iv) any intercompany accounts payable or accounts receivable accrued as of the Effective Time that are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.7(c); (v) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of Rayonier or SpinCo, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (vi) any Shared Contracts.

(c) All of the intercompany accounts receivable and accounts payable between any member of the Rayonier Group, on the one hand, and any member of the SpinCo Group, on the other hand, outstanding as of the Effective Time shall, as promptly as practicable after the Effective Time, be repaid, settled or otherwise eliminated by means of cash payments, a dividend, capital contribution, a combination of the foregoing, or otherwise as determined by Rayonier in its sole and absolute discretion.

2.8 Treatment of Shared Contracts.

(a) Subject to applicable Law and without limiting the generality of the obligations set forth in Section 2.1, unless the Parties otherwise agree or the benefits of any contract, agreement, arrangement, commitment or understanding described in this Section 2.8 are expressly conveyed to the applicable Party pursuant to this Agreement or an Ancillary Agreement, any contract or agreement, a portion of which is a SpinCo Contract, but the remainder of which is a Rayonier Asset (any such contract or agreement, a "Shared Contract"), shall be assigned in relevant part to the applicable member(s) of the applicable Group, if so assignable, or appropriately amended prior to, on or after the Effective Time, so that each Party or the member of its Group shall, as of the Effective Time, be entitled to the rights and benefits, and shall assume the related portion of any Liabilities, inuring to its respective businesses; provided, however, that (i) in no event shall any member of any Group be required to assign (or amend) any Shared Contract in its entirety or to assign a portion of any Shared Contract which is not assignable (or cannot be amended) by its terms (including any terms imposing consents or conditions on an assignment where such consents or conditions have not been obtained or fulfilled) and (ii) if any Shared Contract cannot be so partially assigned by its terms or otherwise, or cannot be amended or if such assignment or amendment would impair the benefit the parties thereto derive from such Shared Contract, then the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions (including by providing prompt notice to the other Party with respect to any relevant claim of Liability or other relevant matters arising in connection with a Shared Contract so as to allow such other Party the ability to exercise any applicable rights under such Shared Contract) to cause a member of the SpinCo Group or the Rayonier Group, as the case may be, to receive the rights and benefits of that portion of each Shared Contract that relates to the SpinCo Business or the Rayonier Business, as the case may be (in each case, to the extent so related), as if such Shared Contract had been assigned to (or amended to allow) a member of the applicable Group pursuant to this Section 2.8, and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement), as if such Liabilities had been assumed by a member of the applicable Group pursuant to this Section 2.8.

(b) Each of Rayonier and SpinCo shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as Assets owned by, and/or Liabilities of, as applicable, such Party, or the members of its Group, as applicable, not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law).

(c) Nothing in this Section 2.8 shall require any member of any Group to make any *non-de minimis* payment (except to the extent advanced, assumed or agreed in advance to be reimbursed by any member of the other Group), incur any *non-de minimis* obligation or grant any *non-de minimis* concession for the benefit of any member of any other Group in order to effect any transaction contemplated by this Section 2.8.

2.9 Bank Accounts; Cash Balances.

(a) Each Party agrees to take, or cause the members of its Group to take, at the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by SpinCo or any other member of the SpinCo Group (collectively, the "SpinCo Accounts") and all contracts or agreements governing each bank or brokerage account owned by Rayonier or any other member of the Rayonier Group (collectively, the "Rayonier Accounts") so that each such SpinCo Account and Rayonier Account, if currently Linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "Linked") to any Rayonier Account or SpinCo Account, respectively, is de-Linked from such Rayonier Account or SpinCo Account, respectively.

(b) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will be in place a cash management process pursuant to which the SpinCo Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by SpinCo or a member of the SpinCo Group.

(c) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will continue to be in place a cash management process pursuant to which the Rayonier Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by Rayonier or a member of the Rayonier Group.

(d) With respect to any outstanding checks issued or payments initiated by Rayonier, SpinCo, or any of the members of their respective Groups prior to the Effective Time, such outstanding checks and payments shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

(e) As between Rayonier and SpinCo (and the members of their respective Groups), all payments made and reimbursements received after the Effective Time by either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or

member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party the amount of such payment or reimbursement without right of set-off.

2.10 Ancillary Agreements. Effective on or prior to the Effective Time, each of Rayonier and SpinCo will, or will cause the applicable members of their Groups to, execute and deliver all Ancillary Agreements to which it is a party.

2.11 Disclaimer of Representations and Warranties. EACH OF RAYONIER (ON BEHALF OF ITSELF AND EACH MEMBER OF THE RAYONIER GROUP) AND SPINCO (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SPINCO GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF, EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

2.12 SpinCo Financing Arrangements; Cash Transfers.

(a) Prior to the Effective Time and pursuant to the Plan of Reorganization, (i) Rayonier A.M. Products Inc. will enter into one or more financing arrangements and agreements pursuant to which Rayonier A.M. Products Inc. shall borrow a principal amount of \$875 million dollars (the "First SpinCo Borrowing"); (ii) Rayonier A.M. Products Inc. shall transfer all or a portion of the proceeds from the First SpinCo Borrowing to Rayonier TRS Holdings Inc. as a distribution (together, the "First Cash Transfer"); (iii) SpinCo will enter into

one or more financing arrangements and agreements pursuant to which it shall borrow a principal amount of \$75 million dollars (the "Second SpinCo Borrowing" and together with the First SpinCo Borrowing, the "SpinCo Financing Arrangements"); and (iv) SpinCo shall transfer to Rayonier the proceeds from the Second SpinCo Borrowing as partial consideration for the transfer of SpinCo Assets to SpinCo in the Contribution pursuant to Section 2.1 (the "Second Cash Transfer" and together with the First Cash Transfer, the "Cash Transfers"). Rayonier and SpinCo agree to take all necessary actions to assure the full release and discharge of Rayonier and the other members of the Rayonier Group from all obligations pursuant to the SpinCo Financing Arrangements as of no later than the Effective Time. The parties agree that SpinCo or another member of the SpinCo Group, as the case may be, and not Rayonier or any member of the Rayonier Group, are and shall be responsible for all costs and expenses incurred in connection with the SpinCo Financing Arrangements.

(b) Prior to the Effective Time, Rayonier and SpinCo shall cooperate in the preparation of all materials as may be necessary or advisable to execute the SpinCo Financing Arrangements.

2.13 Financial Information Certifications. Rayonier's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to SpinCo as its Subsidiary. In order to enable the principal executive officer and principal financial officer of SpinCo to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002, Rayonier, within thirty-five (35) days of the end of any fiscal quarter during which SpinCo remains Rayonier's Subsidiary, shall provide SpinCo with one or more certifications with respect to such disclosure controls and procedures, its internal control over financial reporting and the effectiveness thereof. Such certification(s) shall be provided by Rayonier (and not by any officer or employee in their individual capacity).

2.14 Transition Committee. Prior to the Effective Time, the Parties shall establish a transition committee (the "Transition Committee") that shall consist of an equal number of members from Rayonier and SpinCo. The Transition Committee shall be responsible for monitoring and managing all matters related to any of the transactions contemplated by this Agreement or any Ancillary Agreements. The Transition Committee shall have the authority to (a) establish one or more subcommittees from time to time as it deems appropriate or as may be described in any Ancillary Agreements, with each such subcommittee comprised of one or more members of the Transition Committee or one or more employees of either Party or any member of its respective Group, and each such subcommittee having such scope of responsibility as may be determined by the Transition Committee from time to time; (b) delegate to any such committee any of the powers of the Transition Committee; and (c) combine, modify the scope of responsibility of, and disband any such subcommittees and (d) modify or reverse any such delegations. The Transition Committee shall establish general procedures for managing the responsibilities delegated to it under this Section 2.14, and may modify such procedures from time to time. All decisions by the Transition Committee or any subcommittee thereof shall be effective only if mutually agreed by both Parties. The Parties shall utilize the procedures set forth in Article VII to resolve any matters as to which the Transition Committee is not able to reach a decision.

**ARTICLE III
THE DISTRIBUTION**

3.1 Sole and Absolute Discretion: Cooperation.

(a) Rayonier shall, in its sole and absolute discretion, determine the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, Rayonier may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Nothing shall in any way limit Rayonier's right to terminate this Agreement or the Distribution as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX.

(b) SpinCo shall cooperate with Rayonier to accomplish the Distribution and shall, at Rayonier's direction, promptly take any and all actions necessary or desirable to effect the Distribution, including in respect of the registration under the Exchange Act of SpinCo Shares on the Form 10. Rayonier shall select any investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for Rayonier. SpinCo and Rayonier, as the case may be, will provide to the Agent any information required in order to complete the Distribution.

3.2 Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) ***Notice to NYSE.*** Rayonier shall, to the extent possible, give the NYSE not less than ten (10) days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(b) ***SpinCo Certificate of Incorporation and SpinCo Bylaws.*** On or prior to the Distribution Date, Rayonier and SpinCo shall take all necessary actions so that, as of the Effective Time, the SpinCo Certificate of Incorporation and the SpinCo Bylaws shall become the certificate of incorporation and bylaws of SpinCo, respectively.

(c) ***SpinCo Directors and Officers.*** On or prior to the Distribution Date, Rayonier and SpinCo shall take all necessary actions so that as of the Effective Time: (i) the directors and executive officers of SpinCo shall be those set forth in the Information Statement mailed to the Record Holders prior to the Distribution Date, unless otherwise agreed by the Parties; (ii) each individual referred to in clause (i) shall have resigned from his or her position, if any, as a member of the Rayonier Board and/or as an executive officer of Rayonier; and (iii) SpinCo shall have such other officers as SpinCo shall appoint.

(d) ***NYSE Listing.*** SpinCo shall prepare and file, and shall use its reasonable best efforts to have approved, an application for the listing of the SpinCo Shares to be distributed in the Distribution on the NYSE, subject to official notice of distribution.

(e) *Securities Law Matters.* SpinCo shall file any amendments or supplements to the Form 10 as may be necessary or advisable in order to cause the Form 10 to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. Rayonier and SpinCo shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Rayonier and SpinCo will prepare, and SpinCo will, to the extent required under applicable Law, file with the SEC any such documentation and any requisite no-action letters which Rayonier determines are necessary or desirable to effectuate the Distribution, and Rayonier and SpinCo shall each use its reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. Rayonier and SpinCo shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(f) *Mailing of Information Statement.* Rayonier shall, as soon as is reasonably practicable after the Form 10 is declared effective under the Exchange Act and the Rayonier Board has approved the Distribution, cause the Information Statement to be mailed to the Record Holders.

(g) *The Distribution Agent.* Rayonier shall enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

(h) *Stock-Based Employee Benefit Plans.* Rayonier and SpinCo shall take all actions as may be necessary to approve the grants of adjusted equity awards by Rayonier (in respect of Rayonier shares) and SpinCo (in respect of SpinCo shares) in connection with the Distribution in order to satisfy the requirements of Rule 16b-3 under the Exchange Act.

3.3 Conditions to the Distribution.

(a) The consummation of the Distribution will be subject to the satisfaction, or waiver by Rayonier in its sole and absolute discretion, of the following conditions:

(i) The SEC shall have declared effective the Form 10; no order suspending the effectiveness of the Form 10 shall be in effect; and no proceedings for such purposes shall have been instituted or threatened by the SEC.

(ii) The Information Statement shall have been mailed to Record Holders.

(iii) Rayonier shall have received the IRS Ruling to the effect that, among other things, the Contribution and the Distribution, taken together, shall qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, and certain transactions related to (A) the transfer to SpinCo or the other members of the SpinCo Group of certain SpinCo Assets and the assumption by SpinCo or other members of the SpinCo Group of certain of the SpinCo Liabilities in

connection with the Separation, and (B) the transfer to certain members of the Rayonier Group of certain Rayonier Assets and the assumption by certain members of the Rayonier Group of certain Rayonier Liabilities in connection with the Separation, in each case shall not result in the recognition of any gain or loss to Rayonier, SpinCo, the other members of the Rayonier Group and the SpinCo Group, respectively, Rayonier's shareholders or SpinCo's stockholders for U.S. federal income tax purposes, and such IRS Ruling shall not have been revoked or modified in any material respect.

(iv) Rayonier shall have received an opinion from its outside counsel to the effect that the Contribution and the Distribution, taken together, shall qualify as a transaction that is described in Sections 355(a) and 368(a)(1)(D) of the Code.

(v) The transfer of the SpinCo Assets (other than any Delayed SpinCo Asset) and SpinCo Liabilities (other than any Delayed SpinCo Liability) contemplated to be transferred from Rayonier to SpinCo on or prior to the Distribution shall have occurred as contemplated by Section 2.1, and the transfer of the Rayonier Assets (other than any Delayed Rayonier Asset) and Rayonier Liabilities (other than any Delayed Rayonier Liability) contemplated to be transferred from SpinCo to Rayonier on or prior to the Distribution Date shall have occurred as contemplated by Section 2.1, in each case pursuant to the Plan of Reorganization.

(vi) The actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities Laws or blue sky Laws and the rules and regulations thereunder shall have been taken or made, and, where applicable, have become effective or been accepted.

(vii) Each of the Ancillary Agreements shall have been duly executed and delivered by the applicable parties thereto.

(viii) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the transactions related thereto shall be in effect.

(ix) The SpinCo Shares to be distributed to the Rayonier shareholders in the Distribution shall have been accepted for listing on the NYSE, subject to official notice of distribution.

(x) Rayonier shall have received the proceeds from the Cash Transfers and shall be satisfied in its sole and absolute discretion that, as of the Effective Time, it shall have no further Liability whatsoever under the SpinCo Financing Arrangements.

(xi) No other events or developments shall exist or shall have occurred that, in the judgment of the Rayonier Board, in its sole and absolute discretion, makes it inadvisable to effect the Separation, the Distribution or the transactions contemplated by this Agreement or any Ancillary Agreement.

(b) The foregoing conditions are for the sole benefit of Rayonier and shall not give rise to or create any duty on the part of Rayonier or the Rayonier Board to waive or not waive any such condition or in any way limit Rayonier's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX. Any determination made by the Rayonier Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3(a) shall be conclusive and binding on the Parties. If Rayonier waives any material condition, it shall promptly issue a press release disclosing such fact and file a Current Report on Form 8-K with the SEC describing such waiver.

3.4 The Distribution.

(a) Subject to Section 3.3, on or prior to the Effective Time, SpinCo will deliver to the Agent, for the benefit of the Record Holders, book-entry transfer authorizations for such number of the outstanding SpinCo Shares as is necessary to effect the Distribution, and shall cause the transfer agent for the Rayonier Shares to instruct the Agent to distribute at the Effective Time the appropriate number of SpinCo Shares to each such holder or designated transferee or transferees of such holder by way of direct registration in book-entry form. SpinCo will not issue paper stock certificates in respect of the SpinCo Shares. The Distribution shall be effective at the Effective Time.

(b) Subject to Sections 3.3 and 3.4(c), each Record Holder will be entitled to receive in the Distribution a number of whole SpinCo Shares equal to the number of Rayonier Shares held by such Record Holder on the Record Date multiplied by the Distribution Ratio, rounded down to the nearest whole number.

(c) No fractional shares will be distributed or credited to book-entry accounts in connection with the Distribution, and any such fractional shares interests to which a Record Holder would otherwise be entitled shall not entitle such Record Holder to vote or to any other rights as a stockholder of SpinCo. In lieu of any such fractional shares, each Record Holder who, but for the provisions of this Section 3.4(c), would be entitled to receive a fractional share interest of a SpinCo Share pursuant to the Distribution, shall be paid cash, without any interest thereon, as hereinafter provided. As soon as practicable after the Effective Time, Rayonier shall direct the Agent to determine the number of whole and fractional SpinCo Shares allocable to each Record Holder, to aggregate all such fractional shares into whole shares, and to sell the whole shares obtained thereby in the open market at the then-prevailing prices on behalf of each Record Holder who otherwise would be entitled to receive fractional share interests (with the Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such Record Holder, in lieu of any fractional share, such Record Holder's or owner's ratable share of the total proceeds of such sale, after deducting any Taxes required to be withheld and applicable transfer Taxes, and after deducting the costs and expenses of such sale and distribution, including brokers fees and commissions. None of Rayonier, SpinCo or the Agent will be required to guarantee any minimum sale price for the fractional SpinCo Shares sold in accordance with this Section 3.4(c). Neither Rayonier nor SpinCo will be required to pay any interest on the proceeds from the sale of fractional shares. Neither the Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of Rayonier or SpinCo. Solely for purposes of

computing fractional share interests pursuant to this Section 3.4(c) and Section 3.4(d), the beneficial owner of Rayonier Shares held of record in the name of a nominee in any nominee account shall be treated as the Record Holder with respect to such shares.

(d) Any SpinCo Shares or cash in lieu of fractional shares with respect to SpinCo Shares that remain unclaimed by any Record Holder one hundred and eighty (180) days after the Distribution Date shall be delivered to SpinCo, and SpinCo shall hold such SpinCo Shares for the account of such Record Holder, and the Parties agree that all obligations to provide such SpinCo Shares and cash, if any, in lieu of fractional share interests shall be obligations of SpinCo, subject in each case to applicable escheat or other abandoned property Laws, and Rayonier shall have no Liability with respect thereto.

(e) Until the SpinCo Shares are duly transferred in accordance with this Section 3.4 and applicable Law, from and after the Effective Time, SpinCo will regard the Persons entitled to receive such SpinCo Shares as record holders of SpinCo Shares in accordance with the terms of the Distribution without requiring any action on the part of such Persons. SpinCo agrees that, subject to any transfers of such shares, from and after the Effective Time (i) each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the SpinCo Shares then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the SpinCo Shares then held by such holder.

ARTICLE IV MUTUAL RELEASES; INDEMNIFICATION

4.1 Release of Pre-Distribution Claims.

(a) *SpinCo Release of Rayonier.* Except as provided in Sections 4.1(c) and 4.1(d), effective as of the Effective Time, SpinCo does hereby, for itself and each other member of the SpinCo Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Rayonier and the members of the Rayonier Group, and their respective successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Rayonier Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Effective Time are or have been shareholders, directors, officers, agents or employees of a Transferred Entity and who are not, as of immediately following the Effective Time, directors, officers or employees of SpinCo or a member of the SpinCo Group, in each case from: (A) all SpinCo Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the SpinCo Business, the SpinCo Assets or the SpinCo Liabilities.

(b) *Rayonier Release of SpinCo.* Except as provided in (i) Sections 4.1(c) and 4.1(d), effective as of the Effective Time, Rayonier does hereby, for itself and each other member of the Rayonier Group and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Rayonier Group (in each case, in their respective capacities as such), remise, release and forever discharge SpinCo and the members of the SpinCo Group and their respective successors and assigns, from (A) all Rayonier Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Rayonier Business, the Rayonier Assets or the Rayonier Liabilities.

(c) *Obligations Not Affected.* Nothing contained in Section 4.1(a) or 4.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

- (i) any Liability provided in or resulting from any agreement among any members of the Rayonier Group or the SpinCo Group that is specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, or any other Liability specified in Section 2.7(b) as not to terminate as of the Effective Time;
- (ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;
- (iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time;
- (iv) any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement, any Ancillary Agreement or otherwise for claims brought against the Parties by third Persons, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements; or
- (v) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release any member of the Rayonier Group from honoring its existing obligations to indemnify any director, officer or employee of SpinCo who was a director, officer or employee of any member of the Rayonier Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a SpinCo Liability, SpinCo shall indemnify Rayonier for such Liability (including Rayonier's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) *No Claims.* SpinCo shall not make, and shall not permit any member of the SpinCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Rayonier or any other member of the Rayonier Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). Rayonier shall not make, and shall not permit any other member of the Rayonier Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against SpinCo or any other member of the SpinCo Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

(e) *Execution of Further Releases.* At any time at or after the Effective Time, at the request of either Party, the other Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

4.2 *Indemnification by SpinCo.* Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, SpinCo shall, and shall cause the other members of the SpinCo Group to, indemnify, defend and hold harmless Rayonier, each member of the Rayonier 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 "Rayonier Indemnitees"), from and against any and all Liabilities of the Rayonier Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

- (a) any SpinCo Liability;
- (b) any failure of SpinCo, any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;
- (c) any breach by SpinCo or any other member of the SpinCo Group of this Agreement or any of the Ancillary Agreements;

(d) except to the extent it relates to a Rayonier Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the SpinCo Group by any member of the Rayonier Group that survives following the Distribution; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement (as amended or supplemented if SpinCo shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than the matters described in clause (e) of Section 4.3.

4.3 Indemnification by Rayonier. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, Rayonier shall, and shall cause the other members of the Rayonier Group to, indemnify, defend and hold harmless SpinCo, each member of the SpinCo Group and each of their respective past, present and future directors, officers, employees or 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 "SpinCo Indemnitees"), from and against any and all Liabilities of the SpinCo Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Rayonier Liability;

(b) any failure of Rayonier, any other member of the Rayonier Group or any other Person to pay, perform or otherwise promptly discharge any Rayonier Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;

(c) any breach by Rayonier or any other member of the Rayonier Group of this Agreement or any of the Ancillary Agreements;

(d) except to the extent it relates to a SpinCo Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Rayonier Group by any member of the SpinCo Group that survives following the Distribution; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to statements made explicitly in Rayonier's name in the Form 10, the Information Statement (as amended or supplemented if SpinCo shall have furnished any amendments or supplements thereto) or any other Disclosure Document; it being agreed that the statements set forth on Schedule 4.3(e) shall be the only statements made explicitly in Rayonier's name in the Form 10, the Information Statement or any other Disclosure Document, and all other information contained in the Form 10, the Information Statement or any other Disclosure Document shall be deemed to be information supplied by SpinCo.

4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V will be net of Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or contribution hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of the related Liability, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that an insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party shall be entitled to a "windfall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification and contribution provisions hereof. Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorneys' fees and expenses) to collect or recover any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article IV. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

4.5 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* If, at or following the date of this Agreement, an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the Rayonier Group or the SpinCo Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third-Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party

written notice thereof as soon as practicable, but in any event within fourteen (14) days (or sooner if the nature of the Third-Party Claim so requires) after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third-Party Claim; provided that, prior to the Indemnifying Party assuming and controlling defense of such Third-Party Claim, it shall first confirm to the Indemnitee in writing that, assuming the facts presented to the Indemnifying Party by the Indemnitee being true, the Indemnifying Party shall indemnify the Indemnitee for any such Liabilities to the extent resulting from, or arising out of, such Third-Party-Claim. Notwithstanding the foregoing, if the Indemnifying Party assumes such defense and, in the course of defending such Third-Party Claim, (i) the Indemnifying Party discovers that the facts presented at the time the Indemnifying Party acknowledged its indemnification obligation in respect of such Third-Party Claim were not true in all material respects and (ii) such untruth provides a reasonable basis for asserting that the Indemnifying Party does not have an indemnification obligation in respect of such Third-Party Claim, then (A) the Indemnifying Party shall not be bound by such acknowledgment, (B) the Indemnifying Party shall promptly thereafter provide the Indemnitee written notice of its assertion that it does not have an indemnification obligation in respect of such Third-Party Claim and (C) the Indemnitee shall have the right to assume the defense of such Third-Party Claim. Within thirty (30) days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party shall provide written notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending the Third-Party Claim. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs.* If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation

with respect to such Third-Party Claim, then the Indemnifying Party shall be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third-Party Claim, or an Indemnifying Party that has failed to elect to defend any Third-Party Claim as contemplated hereby, nevertheless shall have the right to employ separate counsel (including local counsel as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 4.5(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Sections 6.7 and 6.8, such Party shall cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if any Indemnitee shall in good faith determine that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of such counsel for all Indemnitees.

(e) *No Settlement.* Neither Party may settle or compromise any Third-Party Claim for which either Party is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages, does not involve any finding or determination of wrongdoing or violation of Law by the other Party and provides for a full, unconditional and irrevocable release of the other Party from all Liability in connection with the Third-Party Claim. The Parties hereby agree that if a Party presents the other Party with a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within thirty (30) days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

(f) *Tax Matters Agreement Governs.* The above provisions of this Section 4.5 and the provisions of Section 4.6 do not apply to Taxes (Taxes being governed by the Tax Matters Agreement). In the case of any conflict between this Agreement and the Tax Matters Agreement in relation to any matters addressed by the Tax Matters Agreement, the Tax Matters Agreement shall prevail.

4.6 Additional Matters.

(a) *Timing of Payments.* Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within thirty (30) days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee, and (ii) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification or contribution under this Agreement or any Ancillary Agreement that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the applicable Indemnifying Party; provided, that the failure by an Indemnitee to so assert any such claim shall not prejudice the ability of the Indemnitee to do so at a later time except to the extent (if any) that the Indemnifying Party is prejudiced thereby. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such specified claim shall be conclusively deemed a Liability of the Indemnifying Party under this Section 4.6(b) or, in the case of any written notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of the claim (or such portion thereof) becomes finally determined. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnitee shall, subject to the provisions of Article VII, be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Pursuit of Claims Against Third Parties.* If (i) a Party incurs any Liability arising out of this Agreement or any Ancillary Agreement; (ii) an adequate legal or equitable remedy is not available for any reason against the other Party to satisfy the Liability incurred by the incurring Party; and (iii) a legal or equitable remedy may be available to the other Party against a Third Party for such Liability, then the other Party shall use its commercially reasonable efforts to cooperate with the incurring Party, at the incurring Party's expense, to permit the incurring Party to obtain the benefits of such legal or equitable remedy against the Third Party.

(d) *Subrogation.* In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or

against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(e) *Substitution.* In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in Section 4.5 and this Section 4.6, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

4.7 Right of Contribution.

(a) *Contribution.* If any right of indemnification contained in Section 4.2 or Section 4.3 is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this Section 4.7: (i) any fault associated with the business conducted with the Delayed SpinCo Assets or Delayed SpinCo Liabilities (except for the gross negligence or intentional misconduct of a member of the Rayonier Group) or with the ownership, operation or activities of the SpinCo Business prior to the Effective Time shall be deemed to be the fault of SpinCo and the other members of the SpinCo Group, and no such fault shall be deemed to be the fault of Rayonier or any other member of the Rayonier Group; (ii) any fault associated with the business conducted with Delayed Rayonier Assets or Delayed Rayonier Liabilities (except for the gross negligence or intentional misconduct of a member of the SpinCo Group) shall be deemed to be the fault of Rayonier and the other members of the Rayonier Group, and no such fault shall be deemed to be the fault of SpinCo or any other member of the SpinCo Group; and (iii) any fault associated with the ownership, operation or activities of the Rayonier Business prior to the Effective Time shall be deemed to be the fault of Rayonier and the other members of the Rayonier Group, and no such fault shall be deemed to be the fault of SpinCo or any other member of the SpinCo Group.

4.8 *Covenant Not to Sue.* Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any SpinCo Liabilities by SpinCo or a member of the SpinCo Group on the terms and conditions set forth in this Agreement and the Ancillary

Agreements is void or unenforceable for any reason; (b) the retention of any Rayonier Liabilities by Rayonier or a member of the Rayonier Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason, or (c) the provisions of this Article IV are void or unenforceable for any reason.

4.9 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and, subject to the provisions of Article VIII, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

4.10 Survival of Indemnities. The rights and obligations of each of Rayonier and SpinCo and their respective Indemnitees under this Article IV shall survive (a) the sale or other transfer by either Party or any member of its Group of any assets or businesses or the assignment by it of any liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group.

ARTICLE V CERTAIN OTHER MATTERS

5.1 Insurance Matters.

(a) Rayonier and SpinCo agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Effective Time. In no event shall Rayonier, any other member of the Rayonier Group or any Rayonier Indemnitee have Liability or obligation whatsoever to any member of the SpinCo Group in the event that any insurance policy or other contract or policy of insurance shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the SpinCo Group for any reason whatsoever or shall not be renewed or extended beyond the current expiration date.

(b) From and after the Effective Time, with respect to any losses, damages and Liability incurred by any member of the SpinCo Group prior to the Effective Time, Rayonier will provide SpinCo with access to, and SpinCo may, upon ten (10) days' prior written notice to Rayonier, make claims under, Rayonier's third-party insurance policies in place immediately prior to the Effective Time and Rayonier's historical policies of insurance, but solely to the extent that such policies provided coverage for members of the SpinCo Group prior to the Effective Time; provided that such access to, and the right to make claims under, such insurance policies, shall be subject to the terms and conditions of such insurance policies, including any limits on coverage or scope, any deductibles and other fees and expenses, and shall be subject to the following additional conditions:

(i) SpinCo shall report any claim to Rayonier, as promptly as practicable, and in any event in sufficient time so that such claim may be made in accordance with Rayonier's claim reporting procedures in effect immediately prior to the Effective Time (or in accordance with any modifications to such procedures after the Effective Time communicated by Rayonier to SpinCo in writing);

(ii) SpinCo and the members of the SpinCo Group shall indemnify, hold harmless and reimburse Rayonier and the members of the Rayonier Group for any deductibles, self-insured retention, fees and expenses incurred by Rayonier or any members of the Rayonier Group to the extent resulting from any access to, any claims made by SpinCo or any other members of the SpinCo Group under, any insurance provided pursuant to this Section 5.1(b), including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by SpinCo, its employees or third Persons; and

(iii) SpinCo shall exclusively bear (and neither Rayonier nor any members of the Rayonier Group shall have any obligation to repay or reimburse SpinCo or any member of the SpinCo Group for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by SpinCo or any member of the SpinCo Group under the policies as provided for in this Section 5.1(b). In the event an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the SpinCo Group, on the one hand, and the Rayonier Group, on the other hand, shall be responsible for their pro rata portion of the reinstatement premium, if any, based upon the losses of such Group submitted to Rayonier's insurance carrier(s) (including any submissions prior to the Effective Time). To the extent that the Rayonier Group or the SpinCo Group is allocated more than its pro rata portion of such premium due to the timing of losses submitted to Rayonier's insurance carrier(s), the other party shall promptly pay the first party an amount so that each Group has been properly allocated its pro rata portion of the reinstatement premium. Subject to the following sentence, Rayonier may elect not to reinstate the policy aggregate. In the event that Rayonier elects not to reinstate the policy aggregate, it shall provide prompt written notice to SpinCo, and SpinCo may direct Rayonier in writing to, and Rayonier shall, in such case, reinstate the policy aggregate; provided that SpinCo shall be responsible for all reinstatement premiums and other costs associated with such reinstatement.

In the event that any member of the Rayonier Group incurs any losses, damages or Liability prior to or in respect of the period prior to the Effective Time for which such member of the Rayonier Group is entitled to coverage under SpinCo's third-party insurance policies, the same process pursuant to this Section 5.1(b) shall apply, substituting "Rayonier" for "SpinCo" and "SpinCo" for "Rayonier."

(c) Except as provided in Section 5.1(b), from and after the Effective Time, neither SpinCo nor any member of the SpinCo Group shall have any rights to or under any of the insurance policies of Rayonier or any other member of the Rayonier Group. At the Effective Time, SpinCo shall have in effect all insurance programs required to comply with SpinCo's contractual obligations and such other insurance policies required by Law or as reasonably necessary or appropriate for companies operating a business similar to SpinCo's. Such insurance programs may include general liability, commercial auto liability, workers' compensation, employer's liability, product liability, professional services liability, property, cargo, employment practices liability, employee dishonesty/crime, directors' and officers' liability and fiduciary liability.

(d) Neither SpinCo nor any member of the SpinCo Group, in connection with making a claim under any insurance policy of Rayonier or any member of the Rayonier Group pursuant to this Section 5.1, shall take any action that would be reasonably likely to (i) have an adverse impact on the then-current relationship between Rayonier or any member of the Rayonier Group, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or reducing coverage, or increasing the amount of any premium owed by Rayonier or any member of the Rayonier Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere with the rights of Rayonier or any member of the Rayonier Group under the applicable insurance policy.

(e) All payments and reimbursements by SpinCo pursuant to this Section 5.1 will be made within fifteen (15) days after SpinCo's receipt of an invoice therefor from Rayonier. If Rayonier incurs costs to enforce SpinCo's obligations herein, SpinCo agrees to indemnify and hold harmless Rayonier for such enforcement costs, including reasonable attorneys' fees pursuant to Section 4.6. Rayonier shall retain the exclusive right to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any SpinCo Liabilities and/or claims SpinCo has made or could make in the future, and no member of the SpinCo Group shall erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with Rayonier's insurers with respect to any of Rayonier's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. SpinCo shall cooperate with Rayonier and share such information as is reasonably necessary in order to permit Rayonier to manage and conduct its insurance matters as it deems appropriate. Neither Rayonier nor any of the members of the Rayonier Group shall have any obligation to secure extended reporting for any claims under any Liability policies of Rayonier or any member of the Rayonier Group for any acts or omissions by any member of the SpinCo Group incurred prior to the Effective Time.

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Rayonier Group in respect of any insurance policy or any other contract or policy of insurance.

(g) SpinCo does hereby, for itself and each other member of the SpinCo Group, agree that no member of the Rayonier Group shall have any Liability whatsoever as a result of the insurance policies and practices of Rayonier and the members of the Rayonier Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to Prime Rate plus two (2%) percent.

5.3 Treatment of Payments for Tax Purposes. For all tax purposes, the Parties agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) 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 Effective Time or as a payment of an assumed or retained Liability; and (ii) 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.

5.4 Inducement. SpinCo acknowledges and agrees that Rayonier's willingness to cause, effect and consummate the Separation and the Distribution has been conditioned upon and induced by SpinCo's covenants and agreements in this Agreement and the Ancillary Agreements, including SpinCo's assumption of the SpinCo Liabilities pursuant to the Separation and the provisions of this Agreement and SpinCo's covenants and agreements contained in Article IV.

5.5 Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

ARTICLE VI EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.9 and any other applicable confidentiality obligations, each of Rayonier and SpinCo, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the members of such other Party's Group, at any time before, on or after the Effective Time, as soon as reasonably practicable after written request therefor, any information (or a copy thereof) in the possession or under the control of such Party or its Group which the requesting Party or its Group to the extent that (i) such information relates to the SpinCo Business, or any SpinCo Asset or SpinCo Liability, if SpinCo is the requesting Party, or to the Rayonier Business, or any Rayonier Asset or Rayonier Liability, if Rayonier is the requesting Party; (ii) such information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or (iii) such information is required by the requesting Party to comply with any obligation imposed by any Governmental Authority; provided, however, that, in the event that the Party to whom the request has been made determines that any such provision of information could be detrimental to the Party providing the information, violate any Law or agreement, or waive any privilege available under

applicable Law, including any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing information pursuant to this Section 6.1 shall only be obligated to provide such information in the form, condition and format in which it then exists, and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information, and nothing in this Section 6.1 shall expand the obligations of a Party under Section 6.4.

(b) Without limiting the generality of the foregoing, until the first SpinCo fiscal year end occurring after the Effective Time (and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs), each Party shall use its commercially reasonable efforts to cooperate with the other Party's information requests to enable (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other Party's accountants to timely complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other applicable Laws.

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 or Section 6.7 shall not affect the ownership of such information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements), or constitute a grant of rights in or to any such information.

6.3 Compensation for Providing Information. The Party requesting information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any review of information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Record Retention. To facilitate the possible exchange of information pursuant to this Article VI and other provisions of this Agreement after the Effective Time, the Parties agree to use their commercially reasonable efforts, which shall be no less rigorous than those used for retention of such Party's own information, to retain all information in their respective possession or control on the Effective Time in accordance with the policies of Rayonier as in effect on the Effective Time (including Rayonier Corporate Policy Nos. 5.6 and 5.8) or such other policies as may be adopted by Rayonier after the Effective Time (provided, in

the case of SpinCo, that Rayonier notifies SpinCo of any such change); provided, however, that in the case of any information relating to Taxes, such retention period shall be extended to the expiration of the applicable statute of limitations (giving effect to any extensions thereof). Notwithstanding the foregoing, Section 9.02 of the Tax Matters Agreement will govern the retention of Tax related records, and Section 9.01 of the Employee Matters Agreement will govern the retention of employment and benefits related records.

6.5 Limitations of Liability. Neither Party shall have any Liability to the other Party in the event that any information exchanged or provided pursuant to this Agreement is found to be inaccurate in the absence of gross negligence or willful misconduct by the Party providing such information. Neither Party shall have any Liability to any other Party if any information is destroyed after commercially reasonable efforts by such Party to comply with the provisions of Section 6.4.

6.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of information set forth in any Ancillary Agreement.

(b) Any party that receives, pursuant to request for information in accordance with this Article VI, Tangible Information that is not relevant to its request shall (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

6.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of an adversarial Action or Dispute between Rayonier and SpinCo, or any members of their respective Groups, each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available

without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.7 and subject to the terms of the Intellectual Property Agreement, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.7(a)).

6.8 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Rayonier Group and the SpinCo Group, and that each of the members of the Rayonier Group and the SpinCo Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The parties recognize that legal and other professional services will be provided following the Effective Time, which services will be rendered solely for the benefit of the Rayonier Group or the SpinCo Group, as the case may be.

(b) The Parties agree as follows:

(i) Rayonier shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Rayonier Business and not to the SpinCo Business, whether or not the Privileged Information is in the possession or under the control of any member of the Rayonier Group or any member of the SpinCo Group. Rayonier shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Rayonier Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the Rayonier Group or any member of the SpinCo Group; and

(ii) SpinCo shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the SpinCo Business and not to the Rayonier Business, whether or not the Privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Rayonier Group. SpinCo shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any SpinCo Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Rayonier Group.

(iii) If the Parties do not agree as to whether certain information is Privileged Information, then such information shall be treated as Privileged Information, and the Party that believes that such information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information unless the Parties otherwise agree. The Parties shall use the procedures set forth in Article VII to resolve any disputes as to whether any information relates solely to the Rayonier Business, solely to the SpinCo Business, or to both the Rayonier Business and the SpinCo Business.

(c) Subject to the remaining provisions of this Section 6.8, the Parties agree that they shall have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.8(b) and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

(d) If any Dispute arises between the Parties or any members of their respective Group regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or any member of their respective Group, each Party agrees that it shall (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party; and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose except in good faith to protect its own legitimate interests.

(e) In the event of any adversarial Action or Dispute between Rayonier and SpinCo, or any members of their respective Groups, either Party may waive a privilege in which the other Party or member of such other Party's Group has a shared privilege, without obtaining consent pursuant to Section 6.8(c); provided that such waiver of a shared privilege shall be effective only as to the use of information with respect to the Action between the Parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any Third Party.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the

production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which another Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party shall promptly notify the other Party of the existence of the request (which notice shall be delivered to such other Party no later than five (5) business days following the receipt of any such subpoena, discovery or other request) and shall provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have under this Section 6.8 or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreement of Rayonier and SpinCo set forth in this Section 6.8 and in Section 6.9 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(h) In connection with any matter contemplated by Section 6.7 or this Section 6.8, the Parties agree to, and to cause the applicable members of their Group to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

6.9 Confidentiality.

(a) *Confidentiality.* Subject to Section 6.10, from and after the Effective Time until the five-year anniversary of the Effective Time, each of Rayonier and SpinCo, on behalf of itself and each member of its respective Group, 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 and proprietary information pursuant to policies in effect as of the Effective Time, all confidential and proprietary information concerning the other Party or any member of the other Party's Group or their respective businesses that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such confidential and proprietary information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such Party's Group or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves bound by a confidentiality obligation or other contractual, legal

or fiduciary obligation of confidentiality with respect to such confidential and proprietary information, or (iii) independently developed or generated without reference to or use of any proprietary or confidential information of the other Party or any member of such Party's Group. If any confidential and proprietary information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement or any Ancillary Agreement, then such disclosed confidential and proprietary information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 6.9(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who shall be advised of their obligations hereunder with respect to such information), and except in compliance with Section 6.10. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party will promptly after request of the other Party either return to the other Party all such 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).

(c) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and members of its Group may presently have and, following the Effective Time, may gain access to or possession of confidential or proprietary information of, or personal information relating to, Third Parties (i) that was received under confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such Party's Group, on the other hand, prior to the Effective Time; or (ii) that, as between the two Parties, was originally collected by the other Party or members of such Party's Group and that may be subject to and protected by privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary information of, or personal information relating to, Third Parties in accordance with privacy, data protection or other applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand.

6.10 Protective Arrangements. In the event that a Party or any member of its Group 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 member of the other Party's Group) 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 DISPUTE RESOLUTION

7.1 Good-Faith Negotiation. Subject to Section 7.4, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or Ancillary Agreement (including regarding whether any Assets are SpinCo Assets, any Liabilities are SpinCo Liabilities or the validity, interpretation, breach or termination of this Agreement or any Ancillary Agreement) (a "Dispute"), shall provide written notice thereof to the other Party (the "Initial Notice"), and within thirty (30) days of the delivery of the Initial Notice, the Parties shall attempt in good faith to negotiate a resolution of the Dispute. The negotiations shall be conducted by executives who hold, at a minimum, the title of vice president and who have authority to settle the Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable for any reason to resolve a Dispute within thirty (30) days after the delivery of such notice or if a Party reasonably concludes that the other Party is not willing to negotiate as contemplated by this Section 7.1, the Dispute shall be submitted to mediation in accordance with Section 7.2.

7.2 Mediation. Any Dispute not resolved pursuant to Section 7.1 shall, at the written request of a Party (a "Mediation Request"), be submitted to nonbinding mediation in accordance with the then current International Institute for Conflict Prevention and Resolution ("CPR") Mediation Procedure, except as modified herein. The mediation shall be held in (i) Jacksonville, Florida, if the Parties each maintain corporate headquarters in such city at the time a Mediation Request is submitted, (ii) Atlanta, Georgia, if one or both of the Parties does not maintain corporate headquarters in Jacksonville, Florida at the time a Mediation Request is submitted, or (iii) such other place as the Parties may mutually agree in writing. The Parties shall have twenty (20) days from receipt by a Party of a Mediation Request to agree on a mediator. If no mediator has been agreed upon by the Parties within twenty (20) days of receipt by a party of a Mediation Request, then a Party may request (on written notice to the other Party), that CPR appoint a mediator in accordance with the CPR Mediation Procedure. All mediation pursuant to this clause shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence, and no oral or documentary representations made by the Parties during such mediation shall be admissible for any purpose in any subsequent proceedings. No Party shall disclose or permit the disclosure of any information about the evidence adduced or the documents produced by the other Party in the mediation proceedings or about the existence, contents or results of the mediation without the prior written consent of such other Party, except in the course of a judicial or regulatory proceeding or as may be required by Law or requested by a Governmental Authority or securities exchange. Before making any disclosure permitted by the preceding sentence, the Party intending to make such

disclosure shall, to the extent reasonably practicable, give the other Party reasonable written notice of the intended disclosure and afford the other party a reasonable opportunity to protect its interests. If the Dispute has not been resolved within sixty (60) days of the appointment of a mediator, or within ninety (90) days after receipt by a Party of a Mediation Request (whichever occurs sooner), or within such longer period as the Parties may agree to in writing, then the Dispute shall be submitted to binding arbitration in accordance with Section 7.3.

7.3 Arbitration.

(a) In the event that a Dispute has not been resolved within sixty (60) days of the appointment of a mediator in accordance with Section 7.2, or within ninety (90) days after receipt by a Party of a Mediation Request (whichever occurs sooner), or within such longer period as the Parties may agree to in writing, then such Dispute shall, upon the written request of a Party (the "Arbitration Request") be submitted to be finally resolved by binding arbitration pursuant to the CPR Arbitration Procedure. The arbitration shall be held in the same location as the mediation pursuant to Section 7.2. Unless otherwise agreed by the Parties in writing, any Dispute to be decided pursuant to this Section 7.3 will be decided (i) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than \$2 million; or (ii) by a panel of three (3) arbitrators if the amount in dispute, inclusive of all claims and counterclaims, totals \$2 million or more.

(b) The panel of three (3) arbitrators will be chosen as follows: (i) within fifteen (15) days from the date of the receipt of the Arbitration Request, each Party will name an arbitrator; and (ii) the two (2) Party-appointed arbitrators will thereafter, within thirty (30) days from the date on which the second of the two (2) arbitrators was named, name a third, independent arbitrator who will act as chairperson of the arbitral tribunal. In the event that either Party fails to name an arbitrator within fifteen (15) days from the date of receipt of the Arbitration Request, then upon written application by either Party, that arbitrator shall be appointed pursuant to the CPR Arbitration Procedure. In the event that the two (2) Party-appointed arbitrators fail to appoint the third, then the third, independent arbitrator will be appointed pursuant to the CPR Arbitration Procedure. If the arbitration will be before a sole independent arbitrator, then the sole independent arbitrator will be appointed by agreement of the Parties within fifteen (15) days of the date of receipt of the Arbitration Request. If the Parties cannot agree to a sole independent arbitrator, then upon written application by either party, the sole independent arbitrator will be appointed pursuant to the CPR Arbitration Procedure.

(c) The arbitrator(s) will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; provided that the arbitrator(s) will not award any relief not specifically requested by the parties and, in any event, will not award any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim). Upon selection of the arbitrator(s) following any grant of interim relief by a special arbitrator or court pursuant to Section 7.4, the arbitrator(s) may affirm or disaffirm that relief, and the parties will seek modification or rescission of the order entered by the court as necessary to accord with the decision of the arbitrator(s). The award

of the arbitrator(s) shall be final and binding on the Parties, and may be enforced in any court of competent jurisdiction. The initiation of mediation or arbitration pursuant to this Article VII will toll the applicable statute of limitations for the duration of any such proceedings.

7.4 Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1, Section 7.2 and Section 7.3 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 7.2 and Section 7.3 if (i) such Party has submitted a Mediation Request or Arbitration Request, as applicable, and the other party has failed, within the applicable periods set forth in Section 7.3, to agree upon a date for the first mediation session to take place within thirty (30) days after the appointment of such mediator or such longer period as the Parties may agree to in writing or (ii) such Party has failed to comply with Section 7.3 in good faith with respect to commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the CPR Arbitration Procedure.

7.5 Conduct During Dispute Resolution Process. Unless otherwise agreed in writing, the Parties shall, and shall cause their respective members of their Group to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII FURTHER ASSURANCES AND ADDITIONAL COVENANTS

8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each Party hereto shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the SpinCo Assets and the Rayonier Assets and the assignment and assumption

of the SpinCo Liabilities and the Rayonier Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party will, at the reasonable request, cost and expense of the other Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Rayonier and SpinCo in their respective capacities as direct and indirect shareholders of the members of their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by Rayonier, SpinCo or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) Rayonier and SpinCo, and each of the members of their respective Groups, waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of SpinCo or any other member of the SpinCo Group, on the one hand, or of Rayonier or any other member of the Rayonier Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of the other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any third Person arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

8.2 Wayne County Loan Agreement. The Parties acknowledge that: (a) as of the Separation, SpinCo or a member of the SpinCo Group will hold the solid waste disposal facilities (the "Project") that were built to serve manufacturing facilities of SpinCo located near Jesup, Georgia; and (b) the Wayne County Loan Agreement, which is a contract that will be retained by Rayonier or a member of the Rayonier Group, contains covenants relating to the Project that, if breached, could result in a Liability to Rayonier or a member of the Rayonier Group. Accordingly, from and after the Separation, SpinCo shall, and shall cause the applicable members of the SpinCo Group to, use reasonable best efforts to comply with the covenants contained in the Wayne County Loan Agreement relating to the Project, including the covenants set forth in Sections 2.5 and 3.3 of the Wayne County Loan Agreement, as if such covenants were made by SpinCo. In the event that SpinCo fails or expects to fail to comply with such covenants, then SpinCo shall promptly notify Rayonier in writing of such failure or expected failure, and SpinCo shall indemnify, defend and hold harmless the Rayonier Indemnitees from and against any and all Liabilities of the Rayonier Indemnitees relating to, arising out of or resulting from, directly or indirectly, such failure or expected failure, including (i) any pre-payment premiums, penalties or "make-whole" payments payable with respect to the Wayne County Loan Agreement or the Wayne County Bonds and (ii) in the event that Rayonier or a member of the Rayonier Group shall refinance the outstanding principal amount of the Wayne County Bonds in connection with such failure or expected failure, any costs and expenses in connection with such refinancing, including any excess or default interest, costs or other

expenses above the amount that Rayonier or the applicable member of the Rayonier Group would have had to pay if the Wayne Loan Agreement or the Wayne County Bonds continued to be in effect; provided, however, that nothing in this Section 8.2 shall obligate SpinCo or any member of the SpinCo Group to indemnify, defend or hold harmless the Rayonier Indemnitees from and against the outstanding principal amount of the Wayne County Bonds (or, if the Wayne County Bonds are refinanced, the principal amount of such refinanced borrowing) and any unpaid interest thereon that accrued prior to the date of such failure or expected failure, even if such amount becomes due and payable as liquidated damages pursuant to the Wayne County Loan Agreement (or such refinanced borrowing, as the case may be).

ARTICLE IX TERMINATION

9.1 Termination. This Agreement and all Ancillary Agreements may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by Rayonier, in its sole and absolute discretion, without the approval or consent of any other Person, including SpinCo. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties.

9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE X MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Ancillary 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 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 each other member of the Rayonier Group, and SpinCo represents on behalf of itself and 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 each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement or any Ancillary 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 or any Ancillary 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 each such Ancillary 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.

10.2 Governing Law. This Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any party to enter herein and therein, 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.

10.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the Parties and the parties thereto, respectively, and their respective successors and permitted assigns; provided, however, that neither Party nor any such party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other Party hereto or other parties thereto, as applicable. Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement and the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) 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 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.

10.4 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Rayonier Indemnitee or SpinCo Indemnitee in their respective capacities as such, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any third person with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

10.5 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent, applicable and unless otherwise provided therein, under each of the Ancillary Agreements 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 10.5):

If to Rayonier (prior to the Effective Time), to:

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

and

Rayonier 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, New York 10019
Attention: David K. Lam

If to Rayonier (from and after the Effective Time), 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

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 (prior to the Effective Time) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: David K. Lam

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

10.6 Severability. If any provision of this Agreement or any Ancillary 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 thereof, 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.

10.7 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 (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation 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 of such obligations (other than a

payment obligation) 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.

10.8 No Set-Off. Except as set forth in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither Party nor any member of such Party's group shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any Ancillary Agreement; or (b) any other amounts claimed to be owed to the other Party or any member of its Group arising out of this Agreement or any Ancillary Agreement.

10.9 Publicity. Prior to the Effective Time, each of SpinCo and Rayonier shall consult with each other prior to issuing any press releases or otherwise making public statements with respect to the Separation, the Distribution or any of the other transactions contemplated hereby or under any Ancillary Agreement and prior to making any filings with any Governmental Authority with respect thereto.

10.10 Expenses. Except as otherwise expressly set forth in this 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 by the Party or its applicable Subsidiary incurring such fees, costs or expenses. The Parties agree that certain specified costs and expenses shall be allocated between the Parties as set forth on Schedule 10.10.

10.11 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

10.12 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and Liability for the breach of any obligations contained herein, shall survive the Separation and the Distribution and shall remain in full force and effect.

10.13 Waivers of Default. Waiver by a Party of any default by the other Party of any provision of this Agreement or any Ancillary 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 other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary 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.

10.14 Specific Performance. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary 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 in respect of its or their rights under this Agreement or such Ancillary 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, are 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 each of the Parties.

10.15 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.

10.16 Interpretation. In this Agreement and any Ancillary 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 (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement); (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement (or the applicable Ancillary 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 (or the applicable Ancillary 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 or in any Ancillary 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 May 28, 2014.

10.17 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, but without limiting any recovery expressly provided by Section 8.2, neither SpinCo or any member of the SpinCo Group, on the one hand, nor Rayonier or any member of the Rayonier Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim).

10.18 Performance. Rayonier will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Rayonier Group. SpinCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the SpinCo Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

10.19 Mutual Drafting. This Agreement and the Ancillary Agreements 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.

[Remainder of page intentionally left blank]

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IN WITNESS WHEREOF, the Parties have caused this Separation and Distribution 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 Separation and Distribution Agreement]

EXHIBIT #2

Exhibit 10.1

TRANSITION SERVICES AGREEMENT
BY AND BETWEEN
RAYONIER INC.
AND
RAYONIER ADVANCED MATERIALS INC.
DATED AS OF [•], 2014

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TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT, dated as of [•], 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").

RECITALS:

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 HEREWITHE (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) Rayónier 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 St., Suite 1400
Jacksonville, FL 32202
Attention: General Counsel

and

Rayonier Inc.
225 Water St., 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 [•], 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: _____
Name:
Title:

RAYONIER ADVANCED MATERIALS INC.

By: _____
Name:
Title:

(SIGNATURE PAGE TO TRANSITION SERVICES AGREEMENT)

Schedule 1**Transition Services¹****I - IT**

Services	Provider (RYN or RYAM)	Description of Services
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.

2 - FINANCE

Services	Provider (RYN or RYAM)	Description of Services
a) Investor Relations	RYN	Assistance in preparing for July earnings release, including onsite support during earnings call
b) Internal Audit	RYAM	Complete open audits
b-1) Internal Audit	RYN	Complete open audits and perform SOX testing.
c) 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.

Schedule 1-1

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 I-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 troubleshooting 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 2nd 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 Performance Fibers.

Schedule 1-3

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	RYAM	Training/Assistance with Insurance Renewal Process
b) Claims Management	RYAM	Assistance with claims issues

Schedule 1-4

6 – Legal/Corporate Secretary		
Services	Provider (RYN or RYAM)	Description of Services
a) Corp Sec / Public Company Governance	RYN	Training, education and assistance for establishment of RYAM Corporate Secretarial function
7 – Facilities		
Services	Provider (RYN or RYAM)	Description of Services
a) Temporary space use	RYAM	Use of office in Shanghai location of RYAM by RYN's agent
b) Real Property management systems	RYN	Assistance to RYAM in developing a management system for RYAM's real estate
8 – Public Affairs		
Services	Service Provider (RYN or RYAM)	Description of Services
a) Foundation Merger Assistance	RYN	Assistance with completing merger of Rayonier Foundation into new Florida-based foundation

Schedule 1-5

EXHIBIT #3

EXHIBIT 10.2

TAX MATTERS AGREEMENT

BY AND BETWEEN

RAYONIER INC.

AND

RAYONIER HOLDING COMPANY

DATED AS OF [•]

TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT (this "Agreement"), dated as of [•], is by and between Rayonier Inc., a North Carolina corporation ("Rayonier"), Rayonier Holding Company, a Delaware corporation ("SpinCo"), Rayonier TRS Holdings Inc., a wholly owned Subsidiary of Rayonier ("TRS"), and Rayonier Products LLC, a Delaware Limited Liability Company 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 [•].

“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 earning 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 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 30 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 30 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. 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 by means of a closing of the books and records of SpinCo or such SpinCo Entity as of the close of the Closing Date; provided that 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.

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 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. 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 (including 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 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.

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). 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 relate 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 rayonier group, (B) the Opinion, (C) each submission to the IRS in connection with the IRS Ruling, (D) the representation letter from Rayonier addressed to Counsel supporting the Opinion, (E) the representation letter from SpinCo addressed to Counsel supporting the Opinion and (F) 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 ninetieth (90th) 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. 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 10.15. 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 10.16. 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; (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; or (c) on the date of facsimile transmission thereof if delivery is confirmed, but, in each case, only if addressed to the Parties in the following manner at the following addresses or facsimile numbers (or at the other address or other number as a Party may specify by notice to the others):

If to Rayonier, to:

Rayonier Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: General Counsel
Facsimile: (904) 598-2250

Rayonier Inc.
1301 Riverplace Boulevard, Suite 2300
Jacksonville, FL 32207
Attention: Chief Financial Officer
Facsimile: (904) 357-9101

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 Holding Company
1301 Riverplace Boulevard, Suite [•]
Jacksonville, FL 32207
Attention: General Counsel
Facsimile: [•]

Rayonier Holding Company
1301 Riverplace Boulevard, Suite [•]
Jacksonville, FL 32207
Attention: Chief Financial Officer
Facsimile: [•]

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 10.17. 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 _____
Name:
Title:

RAYONIER HOLDING COMPANY

By _____
Name:
Title:

EXHIBIT #4

Exhibit 10.3**EMPLOYEE MATTERS AGREEMENT****BY AND BETWEEN****RAYONIER INC.****AND****RAYONIER ADVANCED MATERIALS INC.****DATED AS OF [•], 2014**

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EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT, dated as of [•], 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 [*], 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).

"ODRO" 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.

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- "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;

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- (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 Retained Welfare Plans"), and, from and after the Effective Time, all Liabilities thereunder shall be Liabilities of the SpinCo Group.

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 St., Suite 1400
Jacksonville, FL 32202
Attention: General Counsel

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

With a copy (until the Effective Time) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Nicholas G. Demmo
David K. Lam
Facsimile: (212) 403-2000

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

With a copy (until the Effective Time) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Nicholas G. Demmo
David K. Lam
Facsimile: (212) 403-2000

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 [•], 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: _____
Name: _____
Title: _____

RAYONIER ADVANCED MATERIALS INC.

By: _____
Name: _____
Title: _____

Schedule 1.01(c)**Rayonier Welfare Plans**

<u>Type</u>	<u>Plan Name / Benefit</u>	<u>Vendor</u>	<u>Group</u>
Perquisites	Executive Physical Program Executive Financial / Tax	Mayo	Executives
Perquisites	Planning Rayonier Salaried Life Insurance	Rayonier	Executives
Life & AD&D	Plan The Rayonier Salaried Business	Cigna Life Insurance	Salaried Actives & Retirees (Life)
Business Travel Accident	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	National Union Fire Insurance	Salaried
Dental	Accident Insurance Plan BCBS Dente Max Dental PPO	BCBS	Salaried Actives & Retirees
EAP	Lifeworks EAP and Telephonic Health Coaching Consumer Directed Value Plan & Consumer Directed Choice	Lifeworks	Salaried
Medical	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		
HSA	Spending Account 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 Fernandina Hourly Actives & Retirees
Dental	Aetna Dental	Aetna	Jesup Hourly Actives & Retirees
Dental	BCBS Dente Max Dental PPO Lifeworks EAP and Telephonic Health Coaching	BCBS	Jesup and Fernandina Hourly Fernandina Hourly Actives & Retirees
EAP		Lifeworks	Jesup and Fernandina Hourly Fernandina Hourly Actives & Retirees
Medical	Aetna Health Network Only Jesup Union PPO and Consumer Directed Choice Plan	Aetna	Jesup Hourly Actives & Retirees
Medical	United Healthcare Group Vision Care Insurance	BCBS / Express Scripts	Jesup Hourly Actives & Retirees
Vision	EyeMed Vision Care	United Healthcare	Fernandina Hourly
Vision	Dependent Care Flexible Spending Account	EyeMed	Jesup Hourly
Dependent Care FSA	Healthcare Flexible Spending Account	BCBS	Jesup Hourly
Health Care FSA	Health Savings Account	BCBS	Jesup Hourly
HSA	TrustMark Voluntary Short-Term Disability	BCBS	Jesup Hourly
Voluntary Short-Term Disability		TrustMark	Fernandina Hourly

EXHIBIT #5

Exhibit 10.4**INTELLECTUAL PROPERTY AGREEMENT****BY AND BETWEEN****RAYONIER INC.****AND****RAYONIER ADVANCED MATERIALS INC.****DATED AS OF [•], 2014**

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INTELLECTUAL PROPERTY AGREEMENT

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

RECITALS:

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 Lessor 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 Lessor or any other member of its Group. Notwithstanding anything to the contrary contained herein, Lessor 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 Lessor (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 Lessor (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 Lessor, 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

elected 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 EXPRESSLY 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 Lessor, each of the other members of Lessor'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 "Lessor Indemnitees"), from and against any and all Liabilities of the Lessor 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 St., Suite 1400
Jacksonville, FL 32202
Attention: General Counsel

and

Rayonier Inc.
225 Water St., 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 [•], 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]

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

RAYONIER INC.

By: _____
Name:
Title:

RAYONIER ADVANCED MATERIALS INC.

By: _____
Name:
Title:

[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

Albany
Atlanta
Brussels
Denver
Los Angeles
New York

McKenna Long & Aldridge LLP

1900 K Street, NW
Washington, DC 20006
Tel: 202.496.7500
mckennalong.com

Orange County
Rancho Santa Fe
San Diego
San Francisco
Washington, DC

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FEC MAIL CENTER

STEFAN C. PASSANTINO
202.496.7138
Direct Fax: 202.496.7756
spassantino@mckennalong.com

BENJAMIN P. KEANE
202.496.7672
Direct Fax: 202.496.7756
bkeane@mckennalong.com

October 17, 2014

Ms. Cheryl Hemsley, Counsel
Federal Election Commission
Office of General Counsel
999 E Street, NW
Washington, DC 20463

Re: Supplemental Submission – Advisory Opinion Request Regarding Disaffiliation of Rayonier Advanced Materials Inc. and Rayonier Inc. for Purposes of Rayonier Advanced Materials Inc.'s Recently-Established Separate Segregated Fund

Dear Ms. Hemsley:

This correspondence issues on behalf of Rayonier Advanced Materials Inc. ("RYAM") and its newly-established separate segregated fund – the Rayonier Advanced Materials Inc. Good Government Committee ("RYAM PAC") – in response to the supplemental questions provided to us via e-mail by Mr. Robert Knop and yourself regarding our recent advisory opinion request dated August 19, 2014. The information contained herein should hopefully provide the Federal Election Commission ("FEC" or the "Commission") with the supplemental data it requires to find RYAM's advisory opinion request in compliance with 11 C.F.R. § 112.1 and ripe for response. For ease of review, we have organized the additional information provided in a question-and-answer format. Should you have any follow-up questions about the included responses, or wish to discuss any related subjects in greater detail, please do not hesitate to contact us.

Supplemental Inquiries and Responses

Question #1: Is it possible to get Rayonier Inc. to join the request?

Response #1:

Yes. Rayonier Inc. ("Rayonier") has affirmatively chosen to support and join RYAM's present advisory opinion request. It is our understanding that Rayonier, through its Vice President and General Counsel, provided the Commission with a letter to that effect on September 24, 2014. For the sake of reference, we have also provided a copy of that same letter from Rayonier as an attachment to this correspondence. (See Supplemental Response Exhibit #1 attached hereto).

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Ms. Cheryl Hemsley

October 17, 2014

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Question #2: Please provide copies of Rayonier Advanced Materials Inc.'s ("RYAM" or "SpinCo") Articles of Incorporation, Bylaws and any other governing documents containing information regarding the affiliation factors – e.g., the terms and evolution of RYAM's Board of Directors away from those chosen solely by Rayonier under the Separation and Distribution Agreement. Similarly, if Rayonier Inc. will be joining the request, please provide its governing documents. If Rayonier declines to join the request, please provide information as to whether the Rayonier governing board has any members that are RYAM executives or directors, or majority shareholders.

Response #2:

For the Commission's reference, copies of the Articles of Incorporation and corporate Bylaws of RYAM are attached hereto as exhibits. (See Supplemental Response Exhibit #2 and Exhibit #3). In addition, RYAM has provided the FEC with the latest version of its Corporate Governance Principles, which may be partially responsive to the above inquiry. (See Supplemental Response Exhibit #4).

Given Rayonier's decision to support and join the present advisory opinion request, we have also included copies of its corporate governance documents. Specifically, attached hereto as exhibits for the Commission's reference are copies of Rayonier's Articles of Incorporation and corporate Bylaws. (See Supplemental Response Exhibit #5 and Exhibit #6).

Question #3: Please provide information about the relative percentage of, and roles played by, the former Rayonier employees, particularly if they were in management at Rayonier and are currently in management at RYAM.

Response #3:

In virtually all corporate spin-offs, nearly all of the initial employees of the "spun company" come from the ranks of the employees of the former "parent company". In the case of the Rayonier-RYAM separation, this is likewise the case. Given the ebb and flow of an employment base for a company of RYAM's size, it is difficult for us to assign a specific percentage to the total number of current RYAM employees who served as Rayonier employees prior to the spin-off. It is safe to estimate, however, that more than 90% of RYAM's current employees served in some employment capacity for Rayonier prior to the separation of the two companies.

In the management context, it is much easier to quantify how much of RYAM's "senior leadership team" worked for Rayonier prior to the spin-off. Specifically, six of the eight members of RYAM's senior leadership team (meaning the CEO and his seven direct reports), were senior management employees of Rayonier prior to the separation. Those individuals transitioning from

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Rayonier management to RYAM management positions included the following persons: Paul G. Boynton (Chairman, President and CEO of RYAM, who previously served as President and CEO of Rayonier); Michael Herman (Senior Vice President and General Counsel of RYAM, who previously served as Senior Vice President and General Counsel of Rayonier); Charles Hood (RYAM's Senior Vice President for Public Affairs and Communications, who previously served as Senior Vice President for Public Affairs and Communications for Rayonier); Beth Johnson (RYAM's Vice President for Investor Relations and Planning , who previously served as Controller for Rayonier's Forest Resources business unit); Jay Posze (RYAM's Senior Vice President for Human Resources, who previously served as Rayonier's Senior Vice President for Human Resources); and Jack Kriesel¹ (RYAM's Senior Vice President for Advanced Materials, who previously served as Rayonier's Senior Vice President for Performance Fibers). The other two members of RYAM's senior leadership team – Frank Ruperto (RYAM's Senior Vice President for Corporate Development and Strategic Planning) and Benson Woo (RYAM's Senior Vice President and Chief Financial Officer) were hired by Rayonier, but were both hired shortly before the separation for the express purpose of serving in leadership positions for RYAM after the spin-off. In sum, 75% of the existing "senior leadership team" for RYAM held senior-level employee positions for Rayonier prior to the completion of the spin-off. That percentage will drop to 62.5%, however, following the publicly announced retirement of Jack Kriesel as RYAM's Senior Vice President for Advanced Materials.

Question #4: The request states on page 5, that many RYAM employees “still maintain limited employment ‘benefits’ earned before the spin-off” including stock options and other stock based compensation. If these employees exercised their options and combined them with their other stock based compensation, would they own a controlling interest in Rayonier?

Response #4:

No. If the employees referenced on page 5 of the advisory opinion request exercised their Rayonier stock options and combined the associated shares with other stock-based compensation in their possession, they would not own a controlling interest in Rayonier. After such a consolidation of stock, the referenced employees would (at most) hold approximately 1% of Rayonier's publicly-traded shares.

Question #5: Please explain the financing between Rayonier and RYAM, as discussed in the Separation and Distribution Agreement, § 2.12. Is there ongoing financing of either company by the other?

¹ On September 8, 2014, Mr. Kriesel announced his retirement from RYAM (effective December 31, 2014). Beginning on October 6, 2014, Mr. Thomas Benner, who RYAM recently hired from Solvay S.A. (a Belgian chemical company), joined RYAM's senior management team. Mr. Benner has no former ties to Rayonier and never served as an employee of Rayonier prior to RYAM's spin-off.

Ms. Cheryl Hemsley

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Response #5:

There is no ongoing financing of either Rayonier or RYAM by the other company. For the Commission's reference, the financing structure associated with the spin-off transaction (discussed in §2.12 of the Separation and Distribution Agreement (the "SDA")) can be explained as follows:

Section 2.12 of the SDA essentially sets forth the general framework for a \$950 million distribution that was made by RYAM to Rayonier in order to facilitate the spin-off transaction. These types of distributions are, as the Commission knows well, a common occurrence in many corporate spin-offs. To raise the money associated with the distribution, RYAM entered into what the SDA referred to as two separate "borrowings" – the "First SpinCo Borrowing" and the "Second SpinCo Borrowing". The borrowings were actually "financing" transactions entered into by RYAM, which closed in anticipation of the spin-off. Both of these financing transactions were agreements between RYAM and outside lenders. Neither Rayonier nor any of its current subsidiaries were parties to these RYAM financing transactions, and as such, they have no financial obligations in connection with these financings.

The specific details of the spin-off financing transactions associated with these two borrowings are described in detail in RYAM's Form 10 Registration Statement and recently-filed Quarterly Report on Form 10-Q (each publicly filed with the SEC). As explained in the contents of those filings, RYAM entered into a two major financing transactions to facilitate the execution of the spin-off. The key transactions associated with raising the \$950 million for the spin-off distribution were a \$550 million offering of 5.50% Senior Notes issued by a subsidiary of RYAM (the "Senior Notes"), and a \$650 million, multi-tranche credit agreement entered into by RYAM and its subsidiaries with Bank of America and CoBank as lead lenders (the "Credit Agreement").

Proceeds raised by the Senior Notes and the Credit Agreement constitute the \$875 million referred to as the "First SpinCo Borrowing" by the SDA. A portion of those funds were paid to Rayonier TRS Holdings (a subsidiary of Rayonier) in association with the spin-off as the so-called "First Cash Transfer" (see §2.12 of the SDA). The remaining funds were used to pay fees and other related expenses. The \$75 million referred to as the "Second SpinCo Borrowing" by the SDA, was raised by RYAM on its revolving credit facility in the Credit Agreement. Those funds were transferred to Rayonier as consideration for the transfer of assets in association with the spin-off. They represent the so-called "Second Cash Transfer" described in §2.12 of the SDA.

If the FEC has additional questions about the nature of the financing structure associated with the spin-off, please do not hesitate to contact us. The technical details of this complex transaction, however, should have no bearing on the Commission's determination with regard to the current disaffiliation analysis. As noted above, there is no ongoing financing of either Rayonier or RYAM

Ms. Cheryl Hemsley
October 17, 2014
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by the other company, and no substantive reason for the FEC to suspect that the two entities are affiliated for the purposes of the regulatory requirements set forth in 11 C.F.R. §100.5 and 11 C.F.R. §110.3.

Question #6: Will the Transition Committee defined in the Separation and Distribution Agreement § 2.14 be disbanded when that agreement or other agreements expire, or will it remain after the transition of the spin-off is complete?

Response #6:

It is expected that the Transition Committee defined in §2.14 of the SDA will cease to exist when the transitional period contemplated by the Transition Services Agreement (the "TSA") expires or is terminated. This period is set to end 18 months from the date of the spin-off, but may well end sooner if all transitional issues (e.g., accounting, tax, human resources, and information technology matters) associated with the separation have been resolved prior to the close of the 18-month window.

Question #7: The agreements attached to the request all refer to SpinCo Group and Rayonier Group. Do the two companies have subsidiaries? If so, please provide information about any Rayonier subsidiary that also owns stock in RYAM (or any of its subsidiaries). Also please provide information about any RYAM subsidiary that owns stock in any Rayonier (or any of its subsidiaries).

Response #7:

As indicated in the various agreements associated with RYAM's spin-off from Rayonier, both corporate entities do indeed have subsidiaries. The significant corporate subsidiaries² of each company are set forth below for the Commission's reference:

Significant Subsidiaries of Rayonier

- Matariki Forestry Group
- Rayonier Forest Resources, L.P.
- Rayonier Gulf Timberlands LLC

² Publicly-traded companies typically provide a list of their "significant" subsidiaries in their corporate filings with the Securities and Exchange Commission ("SEC"). The entities listed on each of the subsidiary lists provided in this document reflect some subsidiaries that are not disclosed in the public SEC submissions of Rayonier and RYAM.

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- Rayonier Louisiana Timberlands LLC
- Rayonier Operating Company LLC
- Rayonier TRS Forest Operations, LLC
- Rayonier TRS Holdings Inc.
- TerraPointe LLC
- Rayonier Atlantic Timber Company
- Rayonier Washington Timber Company

Significant Subsidiaries of RYAM

- Rayonier A.M. Products Inc.
- Rayonier Performance Fibers, LLC
- Rayonier A.M. Wood Procurement LLC
- Rayonier A.M. Far East Ltd.
- Rayonier Advanced Materials Industries Ltd.
- Rayonier A.M. China Limited
- Southern Wood Piedmont Company
- Rayonier A.M. Properties LLC

Neither Rayonier nor any of its listed subsidiaries own any stock in RYAM or any of its listed subsidiaries. Likewise, neither RYAM nor any of its listed subsidiaries own any stock in Rayonier or any of its listed subsidiaries.

Question #8: Each of the agreements attached except the Tax Matters Agreement is between Rayonier Inc. and RYAM. The TMA has several parties. Please provide information as to the part each entity played in pre-spin-off Rayonier Inc. and what part each continues to play in the post-spin-off Rayonier Inc., RYAM and any subsidiaries of either.

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Response #8:

As the Commission notes in its question, Rayonier and RYAM were the corporate parties associated with all of the spin-off agreements except for the Tax Matters Agreement (the "TMA"). The TMA, by comparison, involved four separate corporate parties – Rayonier, RYAM, Rayonier TRS Holdings Inc., and Rayonier Products LLC (since renamed Rayonier A.M. Products Inc.). The reason that all four of those entities were parties to the TMA is because each of those companies is a taxpaying entity that files its own separate federal tax return with the Internal Revenue Service. To our knowledge, Rayonier, RYAM, Rayonier TRS Holdings Inc., and Rayonier A.M. Products Inc. are the only current entities listed in the Rayonier and RYAM corporate chains (*see* Response #7 above) that have such tax-filing obligations. Since each of the four corporate entities are federal taxpaying entities, it was considered prudent for each company to be a party to the TMA and to make affirmative arrangements for the handling of various tax matters caused by the spin-off.

To better understand the part that Rayonier TRS Holdings Inc. and Rayonier A.M. Products Inc. play in relation to Rayonier and RYAM, the Commission should refer to the information provided in the public filings of both Rayonier and RYAM. We can, however, offer the following basic explanation:

Prior to the spin-off of RYAM, Rayonier's principal business operations were conducted through two main subsidiaries. Rayonier's U.S. timber operations were primarily conducted through Rayonier Forest Resources L.P., a wholly-owned Real Estate Investment Trust ("REIT") subsidiary. Meanwhile, most of Rayonier's non-REIT qualifying operations were conducted through Rayonier TRS Holdings Inc., a wholly-owned taxable REIT subsidiary. Business operations conducted under the umbrella of Rayonier TRS Holdings prior to the spin-off included Rayonier's performance fiber, wood product and trading activities. Many of the performance-fiber related business activities, including those associated with the production of cellulose for use in the manufacturing of consumer-oriented products, were performed through Rayonier Products LLC, a pre-spin-off subsidiary of Rayonier TRS Holdings.

Since the completion of the spin-off, Rayonier Forest Resources has maintained the same operational role for Rayonier as it did prior to the spin-off. Rayonier TRS Holdings has also maintained a similar operational role for Rayonier as it did prior to the spin-off. It is, however, no longer responsible for overseeing any performance fiber business activities. Those activities were fully spun-off to RYAM and are no longer associated with Rayonier TRS Holdings (or Rayonier in general). With the transfer of all performance-fiber business activities away from Rayonier, Rayonier Products LLC became a subsidiary of RYAM (rather than Rayonier and Rayonier TRS Holdings) and was renamed Rayonier A.M. Products Inc. Its business focus on performance-fiber related operational activities (including cellulose production) remains the same.

Ms. Cheryl Hemsley
October 17, 2014
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Question #9: Please explain the situation presented in the Employee Matters Agreement § 6.03, in which RYAM is liable for paying Deferred Compensation for certain Rayonier employees after the effective time of the spin-off.

Response #9:

Section 6.03 of the Employee Matters Agreement (the "EMA") describes a special retirement program that was applicable only to five former executives of Rayonier who are now retired from the company. The last of the covered former executives retired from Rayonier in 2006. No current Rayonier executives or other current Rayonier employees participate in this program, which was established in 1999 and is closed to new entrants. At the time of this program's creation, Rayonier purchased a series of insurance policies to fund certain supplemental retirement benefits for these five executives. As a part of the spin-off transaction, RYAM assumed these retirement obligations, as well as the pension commitments of these five former executives. Concurrently, RYAM was also assigned the insurance policies that support these financial commitments.

Question #10: Under the Intellectual Property Agreement, licenses granted from Rayonier Inc. to RYAM appear to be "fully paid up" and "royalty free." Please explain the nature of these licenses. Did RYAM pay for the licenses as part of the spin-off? Did or will Rayonier get anything of value in return for these licenses? If not, please explain whether these transactions are at arms-length and fair market value.

Response #10:

As discussed extensively in Response #5 above, Rayonier received a \$950 million distribution from RYAM as part of the spin-off. Part of the consideration for that particular distribution was the grant of the licenses described in the Intellectual Property Agreement (the "IPA") to RYAM by Rayonier. The other agreements between RYAM and Rayonier set forth in the IPA were also granted in consideration of the \$950 million distribution associated with the spin-off. As a result of these facts, the language of the IPA was drafted in such a way as to indicate that the referenced licenses were to be considered "royalty free" and "fully paid up." In turn, no further royalties were or are due to Rayonier by RYAM under the IPA.

Very truly yours,


Stefan C. Passantino
Benjamin P. Keane

Enclosures

Supplemental Response

EXHIBIT #1



Corporate Headquarters

Mark R. Bridwell

Vice President and General Counsel*

September 19, 2014

VIA E-MAIL & US MAIL

Cheryl Hemsley
Federal Election Commission
Office of General Counsel
999 E. Street NW
Washington, DC 20463

Re: Advisory Opinion Request Submitted by Rayonier Advanced Materials Inc.
("RYAM")

Dear Ms. Hemsley:

It is our understanding that RYAM submitted an Advisory Opinion Request to the Federal Election Commission on August 19, 2014 seeking a determination that any PAC formed and operated by RYAM will be considered disaffiliated from Rayonier Inc. Good Government Committee. Please be advised that Rayonier Inc. supports RYAM's request.

If you have any questions or concerns, please do not hesitate to contact me at (904) 357-9827.

Sincerely,

Mark R. Bridwell

cc: Stefan Passantino
Benjamin Keane

**Supplemental Response
EXHIBIT #2**

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "RAYONIER ADVANCED MATERIALS INC.", FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF JUNE, A.D. 2014, AT 2:22 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID RESTATED CERTIFICATE IS THE TWENTY-SEVENTH DAY OF JUNE, A.D. 2014, AT 11:58 O'CLOCK P.M.

5459505 8100

140877236

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1490119

DATE: 06-26-14

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
RAYONIER ADVANCED MATERIALS INC.**

Rayonier Advanced Materials Inc., a corporation organized and existing under the laws of the State of Delaware, pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented (the "DGCL"), hereby certifies as follows:

1. The name of this corporation is Rayonier Advanced Materials Inc. The original Certificate of Incorporation was filed on January 16, 2014, restated on March 26, 2014 and amended on June 4, 2014.
2. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL and by the written consent of its sole stockholder in accordance with Section 228 of the DGCL, and is to become effective as of 11:58 p.m., Eastern Time, on June 27, 2014.
3. This Amended and Restated Certificate of Incorporation restates and amends the Restated Certificate of Incorporation, as amended, to read in its entirety as follows:

**ARTICLE I
NAME OF CORPORATION**

The name by which the corporation is to be known is Rayonier Advanced Materials Inc. (the "Corporation").

**ARTICLE II
REGISTERED OFFICE; REGISTERED AGENT**

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle 19801. The name of its registered agent at such address is The Corporation Trust Company.

**ARTICLE III
PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV STOCK

Section 1. Authorized Stock. The total number of shares of capital stock that the Corporation shall have authority to issue is one hundred fifty million (150,000,000) shares, consisting of (a) one hundred forty million (140,000,000) shares of common stock, par value \$0.01 per share (the "Common Stock"), and (b) ten million (10,000,000) shares of preferred stock, par value \$0.01 per share (the "Preferred Stock").

Section 2. Common Stock. Except as may otherwise be provided in this Amended and Restated Certificate of Incorporation, in a Preferred Stock Designation (as hereinafter defined), or as required by law, the holders of outstanding shares of Common Stock shall have the right to vote on all questions to the exclusion of all other stockholders, each holder of record of Common Stock being entitled to one vote for each share of Common Stock standing in the name of the stockholder on the books of the Corporation.

Section 3. Preferred Stock. Shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "Board of Directors") (or any committee to which it may duly delegate the authority granted in this Article IV) is hereby empowered to authorize the issuance from time to time of shares of Preferred Stock in one or more series, for such consideration and for such corporate purposes as the Board of Directors (or such committee thereof) may from time to time determine, and by filing a certificate (hereinafter referred to as a "Preferred Stock Designation") pursuant to applicable law of the State of Delaware as it presently exists or may hereafter be amended to establish from time to time for each such series the number of shares to be included in each such series and to fix the designations, powers, rights and preferences of the shares of each such series, and the qualifications, limitations and restrictions thereof to the fullest extent now or hereafter permitted by this Amended and Restated Certificate of Incorporation and the laws of the State of Delaware, including, without limitation, voting rights (if any), dividend rights, dissolution rights, conversion rights, exchange rights and redemption rights thereof, as shall be stated and expressed in a resolution or resolutions adopted by the Board of Directors (or such committee thereof) providing for the issuance of such series of Preferred Stock. Each series of Preferred Stock shall be distinctly designated. The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:

- (i) the designation of the series, which may be by distinguishing number, letter or title;
- (ii) the number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding);
- (iii) the amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or noncumulative;

- (iv) dates at which dividends, if any, shall be payable;
- (v) the redemption rights and price or prices, if any, for shares of the series;
- (vi) the terms and amount of any sinking fund provided for the purchase or redemption of shares of the series;
- (vii) the amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;
- (viii) whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made;
- (ix) restrictions on the issuance of shares of the same series or of any other class or series; and
- (x) the voting rights, if any, of the holders of shares of the series.

ARTICLE V TERM

The term of existence of the Corporation shall be perpetual.

ARTICLE VI BOARD OF DIRECTORS

Section 1. Number of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the total number of directors that the Corporation would have if there were no vacancies (the "Whole Board").

Section 2. Classes of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the directors shall be divided, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as is reasonably possible, with the term of office of the first class to expire at the 2015 annual meeting of stockholders, the term of office of the second class to expire at the 2016 annual meeting of stockholders and the term of office of the third class to expire at the 2017 annual meeting of stockholders, with each director to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, commencing with the 2015 annual meeting, (a) directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of

stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified, and (b) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created.

Section 3. Vacancies. Subject to applicable law and the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and in the event that there is only one director remaining in office, by such sole remaining director, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been appointed expires and until such director's successor shall have been duly elected and qualified.

Section 4. Removal. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any director, or the entire Board of Directors, may be removed from office at any time but only for cause by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of all of the then-outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class.

ARTICLE VII STOCKHOLDER ACTION

Section 1. Stockholder Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

Section 2. Special Meetings of Stockholders. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, special meetings of stockholders may only be called by or at the direction of the Chairman of the Board of Directors or the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board. At any special meeting of the stockholders, only such business shall be conducted or considered as shall have been properly brought before the meeting pursuant to the Corporation's notice of meeting. To be properly brought before a special meeting, proposals of business must be (a) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, or (b) otherwise properly brought before the special meeting, by or at the direction of the Board of Directors.

ARTICLE VIII **AMENDMENTS TO BYLAWS**

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the Corporation is expressly authorized to make, alter and repeal the Bylaws of the Corporation (the "Bylaws"), subject to the power of the stockholders of the Corporation to alter or repeal the Bylaws under applicable law as it presently exists or may hereafter be amended. Stockholders of the Corporation are authorized to make, alter and repeal the Bylaws of the Corporation only pursuant to Article IX of the Bylaws of the Corporation.

ARTICLE IX **DIRECTOR LIABILITY**

To the fullest extent permitted by the DGCL, as the same exists or may hereafter be amended, a director of the Corporation shall not be personally liable either to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as a director. Any amendment or modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal. If the DGCL hereafter is amended to further eliminate or limit the liability of a director, then a director of the Corporation, in addition to the circumstances in which a director is not personally liable as set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended DGCL.

ARTICLE X **INDEMNIFICATION**

Section 1. Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was, at any time during which this Article is in effect (whether or not such person continues to serve in such capacity at the time any indemnification or advancement of expenses pursuant hereto is sought or at the time any Proceeding relating thereto exists or is brought), a director or officer of the Corporation or is or was at any such time serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation (a "Covered Person"), whether the basis of such Proceeding is alleged action in an official capacity as a director, officer, trustee, employee or agent or in any other capacity while serving as a director, officer, trustee, employee or agent, shall be (and shall be deemed to have a contractual right to be) indemnified and held harmless by the Corporation (and any successor of the Corporation by merger or otherwise) to the fullest extent authorized by the DGCL as the same exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or

modification permits the Corporation to provide greater indemnification rights than said law permitted the Corporation to provide prior to such amendment or modification), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, trustee, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 2 of this Article X, the Corporation shall indemnify any such person seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if such Proceeding (or part thereof) was authorized by the Board of Directors.

Section 2. Right of Claimant to Bring Suit. (1) If a claim for indemnification under Article VI of the Bylaws of the Corporation or this Article X is not paid in full by the Corporation within thirty (30) days after a written claim pursuant to Article VI of the Bylaws or Section 1 of this Article X has been received by the Corporation, or (2) if a request for advancement of expenses under this Article X is not paid in full by the Corporation within twenty (20) days after a statement and the required undertaking, if any, have been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim for indemnification or request for advancement of expenses and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action that, under the DGCL, the claimant has not met the standard of conduct which makes it permissible for the Corporation to indemnify the claimant for the amount claimed or that the claimant is not entitled to the requested advancement of expenses, but (except where the required undertaking, if any, has not been tendered to the Corporation) the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, Independent Counsel (as defined in the Bylaws of the Corporation) or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, Independent Counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Non-Exclusivity of Rights. (a) In accordance with the Bylaws of the Corporation, all of the rights conferred in this Article X, as to indemnification, advancement of expenses and otherwise, shall be contract rights between the Corporation and each Covered Person to whom such rights are extended that vest at the commencement of such Covered Person's service to or at the request of the Corporation and (x) any amendment or modification of this Article X that in any way diminishes or adversely affects any such rights shall be prospective only and shall not in any way diminish or adversely affect any such rights with respect to such person, and (y) all of such rights shall continue as to any such Covered Person who has ceased to be a director or officer of the Corporation or ceased to serve at the Corporation's request as a director, officer, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, as described herein, and shall inure to the benefit of such Covered Person's heirs, executors and administrators.

(b) All of the rights conferred in this Article X, as to indemnification, advancement of expenses and otherwise, (i) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Amended and Restated Certificate of Incorporation, the Bylaws, agreement, vote of stockholders or Disinterested Directors or otherwise and (ii) cannot be terminated by the Corporation, the Board of Directors or the stockholders of the Corporation with respect to a person's service prior to the date of such termination

ARTICLE XI INSURANCE

The Corporation may maintain insurance, at its expense, to protect itself and any current or former director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL. To the extent that the Corporation maintains any policy or policies providing such insurance, each such current or former director or officer, and each such agent or employee to whom rights to indemnification have been granted as provided in Article VI of the Bylaws or Section 1 of Article X of this Amended and Restated Certificate of Incorporation, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such current or former director, officer, employee or agent.

ARTICLE XII FORUM AND VENUE

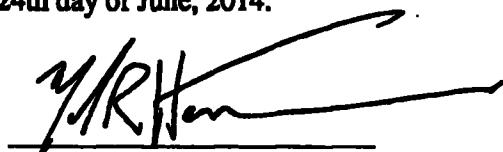
Unless the Board of Directors otherwise determines, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation or the Corporation's stockholders, creditors or other constituents, (iii) any action asserting a claim against the Corporation or any director or officer of the Corporation arising pursuant to any provision of the DGCL or the Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer of the Corporation governed by the internal affairs doctrine; provided, that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state court sitting in the State of Delaware.

ARTICLE XIII AMENDMENTS

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware as they presently exist or may hereafter be amended, subject to any limitations contained elsewhere in this Amended and Restated Certificate of Incorporation, the Corporation may from time to time alter, amend, repeal or adopt, in whole or in part, any provisions of this Amended and Restated Certificate of Incorporation; provided, however, that any proposed

alteration, amendment or repeal of, or the adoption of any provision inconsistent with, Section 3 of Article IV, Article VI, Article VII, Article X or this Article XIII of this Amended and Restated Certificate of Incorporation (in each case, as in effect on the date hereof), or the alteration, amendment or repeal of, or the adoption of any provision inconsistent with this sentence, may only be made by the affirmative vote of shares representing not less than eighty percent (80%) of the voting power of all of the Voting Stock, voting together as a single class.

I, THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the DGCL, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 24th day of June, 2014.



Name: Michael R. Herman
Title: Senior Vice President

Supplemental Response
EXHIBIT #3

AMENDED AND RESTATED BYLAWS

OF

RAYONIER ADVANCED MATERIALS INC.

Incorporated under the Laws of the State of Delaware

These Amended and Restated Bylaws (the "Bylaws") of Rayonier Advanced Materials Inc., a Delaware corporation (the "Corporation"), are effective as of June 27, 2014 and hereby amend and restate the previous bylaws of the Corporation which are hereby deleted in their entirety and replaced with the following:

ARTICLE I

OFFICES AND RECORDS

SECTION 1.1. Delaware Office. The registered office of the Corporation in the State of Delaware shall be located in the City of Wilmington, County of New Castle, and the name and address of its registered agent is The Corporation Trust Company.

SECTION 1.2. Other Offices. The Corporation may have such other offices, either inside or outside the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

SECTION 1.3. Books and Records. The books and records of the Corporation may be kept inside or outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

STOCKHOLDERS

SECTION 2.1. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held on such date and at such place and time as may be fixed by resolution of the Board of Directors.

SECTION 2.2. Special Meeting. Subject to the rights of the holders of any series of stock having a preference over the Common Stock of the Corporation as to dividends, voting or upon liquidation ("Preferred Stock") with respect to such series of Preferred Stock, special meetings of the stockholders may be called only by the Chairman of the Board or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies (the "Whole Board"). Business transacted

at special meetings shall be confined to the purposes stated in the Corporation's notice of the meeting or in any supplemental notice delivered by the Corporation in accordance with Section 2.4 of these Bylaws.

SECTION 2.3. Place of Meeting. The Board of Directors or the Chairman of the Board, as the case may be, may designate the place of meeting for any annual or special meeting of the stockholders. If no designation is so made, the place of meeting shall be the principal office of the Corporation.

SECTION 2.4. Notice of Meeting. Written or printed notice, stating the place, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally, by electronic transmission in the manner provided in Section 232 of the General Corporation Law of the State of Delaware (except to the extent prohibited by Section 232(e) of the General Corporation Law of the State of Delaware) or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation. If notice is given by electronic transmission, such notice shall be deemed to be given at the times provided in the General Corporation Law of the State of Delaware. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Section 7.4 of these Bylaws. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 2.5. Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the voting power of all of the then-outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The Chairman of the Board of Directors or the Chief Executive Officer may adjourn the meeting from time to time, whether or not there is a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, or if none or in the Chairman of the Board's absence or inability to act, the Chief Executive Officer, or if none or in the Chief Executive Officer's absence or inability to act, the President, or if none or in the President's absence or inability to act, a Vice

President, or, if none of the foregoing is present or able to act, by a chairman to be chosen by the stockholders entitled to vote who are present in person or by proxy at the meeting. The Secretary, or in the Secretary's absence, an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the presiding officer of the meeting shall appoint any person present to act as secretary of the meeting.

SECTION 2.7. Proxies. At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such manner prescribed by the General Corporation Law of the State of Delaware) by the stockholder, or by his duly authorized attorney in fact.

SECTION 2.8. Order of Business.

(A) *Annual Meetings of Stockholders.* At any annual meeting of the stockholders, only such nominations of persons for election to the Board of Directors shall be made, and only such other business shall be conducted or considered, as shall have been properly brought before the meeting. For nominations to be properly made at an annual meeting, and proposals of other business to be properly brought before an annual meeting, nominations and proposals of other business must be: (a) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly made at the annual meeting, by or at the direction of the Board of Directors or (c) otherwise properly requested to be brought before the annual meeting by a stockholder of the Corporation in accordance with these Bylaws. For nominations of persons for election to the Board of Directors or proposals of other business to be properly requested by a stockholder to be made at an annual meeting, a stockholder must (i) be a stockholder of record at the time of giving of notice of such annual meeting by or at the direction of the Board of Directors and at the time of the annual meeting, (ii) be entitled to vote at such annual meeting and (iii) comply with the procedures set forth in these Bylaws as to such business or nomination. The immediately preceding sentence shall be the exclusive means for a stockholder to make nominations or other business proposals (other than matters properly brought under Rule 14a-8 under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and included in the Corporation's notice of meeting) before an annual meeting of stockholders.

(B) *Special Meetings of Stockholders.* At any special meeting of the stockholders, only such business shall be conducted or considered, as shall have been properly brought before the meeting pursuant to the Corporation's notice of meeting. To be properly brought before a special meeting, proposals of business must be (a) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, or (b) otherwise properly brought before the special meeting, by or at the direction of the Board of Directors.

Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (i) is a stockholder of record at the time of giving of notice of such special meeting and at the time of the special meeting, (ii) is entitled to vote at the meeting, and (iii) complies with the procedures set forth in these Bylaws as to such nomination.

The immediately preceding sentence shall be the exclusive means for a stockholder to make nominations (other than matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting) before a special meeting of stockholders.

(C) *General.* Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of any annual or special meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with these Bylaws and, if any proposed nomination or other business is not in compliance with these Bylaws, to declare that no action shall be taken on such nomination or other proposal and such nomination or other proposal shall be disregarded.

SECTION 2.9. Advance Notice of Stockholder Business and Nominations.

(A) *Annual Meeting of Stockholders.* Without qualification or limitation, subject to Section 2.9(C)(4) of these Bylaws, for any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.9(A) of these Bylaws, the stockholder must have given timely notice thereof (including, in the case of nominations, the completed and signed questionnaire, representation and agreement required by Section 2.10 of these Bylaws), and timely updates and supplements thereof, in writing to the Secretary, and such other business must otherwise be a proper matter for stockholder action.

To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting, or the public announcement thereof, commence a new time period for the giving of a stockholder's notice as described above.

Notwithstanding anything in the immediately preceding paragraph to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased by the Board of Directors, and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 2.9(A) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

In addition, to be considered timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof.

(B) *Special Meetings of Stockholders.* Subject to Section 2.9(C)(4) of these Bylaws, in the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, provided that the stockholder gives timely notice thereof (including the completed and signed questionnaire, representation and agreement required by Section 2.10 of these Bylaws), and timely updates and supplements thereof, in writing, to the Secretary.

To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to the date of such special meeting and not later than the close of business on the later of the 90th day prior to the date of such special meeting or, if the first public announcement of the date of such special meeting is less than 100 days prior to the date of such special meeting, the 10th day following the day on which public announcement is first made of the date of the special meeting and, if applicable, of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting of stockholders, or the public announcement thereof, commence a new time period for the giving of a stockholder's notice as described above.

In addition, to be considered timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) business days prior to the date for the meeting, any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof.

(C) *Disclosure Requirements.*

(1) To be in proper form, a stockholder's notice (whether given pursuant to Section 2.7(A) or 2.7(B) of these Bylaws) to the Secretary must include the following, as applicable.

(a) As to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, a stockholder's notice must set forth: (i) the name and address of such stockholder, as they appear on the Corporation's books, of such beneficial owner, if any, and of their respective affiliates or associates or others acting in concert therewith, (ii) (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder, such beneficial owner and their respective affiliates or associates or others acting in concert therewith, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the stockholder of record, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any class or series of shares of the Corporation, (D) any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, involving such stockholder, directly or indirectly, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the Corporation (any of the foregoing, a "Short Interest"), (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership, (G) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to base on any increase or decrease in

the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household, (H) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder, and (I) any direct or indirect interest of such stockholder in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), and (iii) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement and form or proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(b) If the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, a stockholder's notice must, in addition to the matters set forth in paragraph (a) above, also set forth: (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, in such business, (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such proposal or business includes a proposal to amend the Bylaws of the Corporation, the text of the proposed amendment), and (iii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder;

(c) As to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors, a stockholder's notice must, in addition to the matters set forth in paragraph (a) above, also set forth: (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "Registrant" for purposes of such rule and the nominee were a director or executive officer of such Registrant; and

(d) With respect to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors, a stockholder's notice must, in addition to the matters set forth in paragraphs (a) and (c) above, also include a completed and signed questionnaire, representation and agreement required by Section 2.9 of these Bylaws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

(2) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the provisions of these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw; provided, however, that any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the separate and additional requirements set forth in these Bylaws with respect to nominations or proposals as to any other business to be considered pursuant to Section 2.7 of these Bylaws.

(4) Nothing in these Bylaws shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws. Subject to Rule 14a-8 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of director or directors or any other business proposal.

SECTION 2.10. Submission of Questionnaire, Representation and Agreement.

To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 2.9 of these Bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request), and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person

or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply, with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation publicly disclosed from time to time, and (D) will abide by the requirements of Section 2.11 of these Bylaws.

SECTION 2.11. Procedure for Election of Directors; Required Vote.

(A) Except as set forth below, election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, a majority of the votes cast at any meeting for the election of directors at which a quorum is present shall elect directors. For purposes of this Bylaw, a majority of votes cast shall mean that the number of shares voted "for" a director's election exceeds fifty percent (50%) of the number of votes cast with respect to that director's election. Votes cast shall include direction to withhold authority in each case and exclude abstentions with respect to that director's election. Notwithstanding the foregoing, in the event of a "contested election" of directors, directors shall be elected by the vote of a plurality of the votes cast at any meeting for the election of directors at which a quorum is present. For purposes of this Bylaw, a "contested election" shall mean any election of directors in which the number of candidates for election as directors exceeds the number of directors to be elected, with the determination thereof being made by the Secretary as of the close of the applicable notice of nomination period set forth in Section 2.9 of these Bylaws or under applicable law, based on whether one or more notice(s) of nomination were timely filed in accordance with said Section 2.9; provided, however, that the determination that an election is a "contested election" shall be determinative only as to the timeliness of a notice of nomination and not otherwise as to its validity. If, prior to the time the Corporation mails its initial proxy statement in connection with such election of directors, one or more notices of nomination are withdrawn such that the number of candidates for election as director no longer exceeds the number of directors to be elected, the election shall not be considered a contested election, but in all other cases, once an election is determined to be a contested election, directors shall be elected by the vote of a plurality of the votes cast.

(B) If a nominee for director who is an incumbent director is not elected and no successor has been elected at such meeting, the director shall promptly tender his or her resignation to the Board of Directors in accordance with the agreement contemplated by clause (D) of Section 2.9 of these Bylaws. The Nominating and Corporate Governance Committee shall make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors shall act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Nominating and Corporate Governance Committee in making its recommendation, and the Board of Directors in making its

decision, may each consider any factors or other information that it considers appropriate and relevant. The director who tenders his or her resignation shall not participate in the recommendation of the Nominating and Corporate Governance Committee or the decision of the Board of Directors with respect to his or her resignation. If such incumbent director's resignation is not accepted by the Board of Directors, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board of Directors pursuant to this Bylaw, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Section 3.7 of these Bylaws or may decrease the size of the Board of Directors pursuant to the provisions of Section 3.2 of these Bylaws.

(C) Except as otherwise provided by law, the Certificate of Incorporation, or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

SECTION 2.12. Inspectors of Elections; Opening and Closing the Polls. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may, but does not need to, include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The chairman of the meeting shall be appointed by the inspector or inspectors to fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

SECTION 2.13. No Stockholder Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.1. General Powers. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or

by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

SECTION 3.2. Number, Tenure and Qualifications. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

Commencing with the 2014 annual meeting of stockholders of the Corporation, the directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall be divided, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as is reasonably possible, with the term of office of the first class to expire at the 2015 annual meeting of stockholders, the term of office of the second class to expire at the 2016 annual meeting of stockholders and the term of office of the third class to expire at the 2017 annual meeting of stockholders, with each director to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, commencing with the 2015 annual meeting, (i) directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified, and (ii) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created.

SECTION 3.3. Regular Meetings. The Board of Directors may, by resolution, provide the time and place for the holding of any regular meetings without other notice than such resolution.

SECTION 3.4. Special Meetings. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

SECTION 3.5. Notice. Notice of any special meeting of directors shall be given to each director at such person's business or residence in writing by hand delivery, first-class or overnight mail or courier service, telegram, email or facsimile transmission, or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company, or the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If by email, facsimile transmission, telephone or by hand, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 7.4 of these Bylaws.

SECTION 3.6. Chairman of the Board. The Chairman of the Board shall be chosen from among the directors and may be the Chief Executive Officer. The Chairman of the Board shall preside over all meetings of the Board of Directors and shall perform all duties incidental to the office which may be required by law and all such other duties as are properly required of the Chairman of the Board by the Board of Directors.

SECTION 3.7. Action by Consent of Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 3.8. Conference Telephone Meetings. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.9. Quorum. Subject to Section 3.10 of these Bylaws, a whole number of directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

SECTION 3.10. Vacancies. Subject to applicable law and the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been appointed expires and until such director's successor shall have been duly elected and qualified.

SECTION 3.11. Committees. The Board of Directors may, by resolution adopted by a majority of the Whole Board, designate one or more committees, which shall consist of two or more directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from

voting, whether or not constituting a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board when required.

A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 3.5 of these Bylaws. The Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve, any such committee. Nothing herein shall be deemed to prevent the Board from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board.

SECTION 3.12. Removal. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the Voting Stock, voting together as a single class.

SECTION 3.13. Records. The Board of Directors shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

ARTICLE IV

OFFICERS

SECTION 4.1. Elected Officers. The elected officers of the Corporation shall be a Chief Executive Officer, a President, a Secretary, a Treasurer, and such other officers (including, without limitation, a Chief Financial Officer) as the Board of Directors from time to time may deem proper. Any two or more offices may be held by the same individual. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board or any committee thereof may from time to time elect, or the Chairman of the Board, the Chief Executive Officer or President may appoint, such other officers (including one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Secretaries, Assistant Treasurers, and Assistant Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these Bylaws or as may be prescribed by the Board or such committee or by the Chairman of the Board, the Chief Executive Officer or President, as the case may be.

SECTION 4.2. Election and Term of Office. The elected officers of the Corporation shall be elected by the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign.

SECTION 4.3. Chief Executive Officer. The Chief Executive Officer of the Corporation shall report directly to the Board. Except in such instances as the Board may confer powers in particular transactions upon any other officer, and subject to the control and direction of the Board, the Chief Executive Officer shall manage the business and affairs of the Corporation and shall communicate to the Board and any committee thereof reports, proposals and recommendations for their respective consideration or action. He may do and perform all acts on behalf of the Corporation. The Chief Executive Officer may also serve as Chairman of the Board and may also serve as President, if so elected by the Board.

SECTION 4.4. President. The President shall have such powers and perform such duties as the Board and the Chief Executive Officer may from time to time prescribe or as may be prescribed in these Bylaws.

SECTION 4.5. Executive Vice Presidents, Senior Vice Presidents and Vice Presidents. Each Executive Vice President, Senior Vice President and Vice President shall have such powers and shall perform such duties as the Board of Directors or the Chief Executive Officer may from time to time prescribe or as may be described in these Bylaws.

SECTION 4.6. Chief Financial Officer. The Chief Financial Officer shall have such powers and perform such duties as the Board or the Chief Executive Officer may from time to time prescribe or as may be prescribed in these Bylaws. The Chief Financial Officer shall present to the Board such balance sheets, income statements, budgets and other financial statements and reports as the Board or the Chief Executive Officer may require and shall perform such other duties as may be prescribed or assigned pursuant to these Bylaws and all other acts incident to the position of Chief Financial Officer.

SECTION 4.7. Controller. The Controller shall be responsible for the maintenance of adequate accounting records of all assets, liabilities, capital and transactions of the Corporation. The Controller shall prepare such balance sheets, income statements, budgets and other financial statements and reports as the Board or the Chief Executive Officer or the Chief Financial Officer may require, and shall perform such other duties as may be prescribed or assigned pursuant to these Bylaws and all other acts incident to the position of Controller.

SECTION 4.8. Treasurer.

(A) The Treasurer shall have the care and custody of all the funds and securities of the Corporation except as may be otherwise ordered by the Board, and shall cause such funds (i) to be invested or reinvested from time to time for the benefit of the Corporation as may be designated by the Board or by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer, or (ii) to be deposited to the credit of the Corporation in such banks or depositories as may be designated by the Board or by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Offer or

the Treasurer, and shall cause such securities to be placed in safekeeping in such manner as may be designated by the Board or by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer.

(B) The Treasurer or such other person or persons as may be designated for such purpose by the Board or by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer may endorse in the name and on behalf of the Corporation all instruments for the payment of money, bills of lading, warehouse receipts, insurance policies and other commercial documents requiring such endorsement.

(C) The Treasurer or such other person or persons as may be designated for such purpose by the Board or by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer, (i) may sign all receipts and vouchers for payments made to the Corporation; (ii) shall prepare a statement of the cash account of the Corporation to the Board as often as it shall require the same; and (iii) shall enter regularly in books to be kept for that purpose full and accurate account of all moneys received and paid on account of the Corporation and of all securities received and delivered by the Corporation.

(D) The Treasurer shall perform such other duties as may be prescribed or assigned pursuant to these Bylaws and all other acts incident to the position of Treasurer.

SECTION 4.9. Secretary. The Secretary shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board, the committees of the Board and the stockholders; he shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; he shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal; and he shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, he shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board, the Chairman of the Board, the Chief Executive Officer or the President.

SECTION 4.10. Removal. Any officer elected, or agent appointed, by the Board of Directors may be removed from office with or without cause by the affirmative vote of a majority of the Whole Board. Any officer or agent appointed by the Chairman of the Board, the Chief Executive Officer or the President may be removed by such person with or without cause. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

SECTION 4.11. Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board of Directors. Any vacancy in an office appointed by the Chairman of the Board, the Chief

Executive Officer or the President because of death, resignation, or removal may be filled by the Chairman of the Board, the Chief Executive Officer or the President.

ARTICLE V

STOCK CERTIFICATES AND TRANSFERS

SECTION 5.1. Certificated and Uncertificated Stock; Transfers. The interest of each stockholder of the Corporation may be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe or be uncertificated.

The shares of the stock of the Corporation shall be transferred on the books of the Corporation, in the case of certificated shares of stock, by the holder thereof in person or by his attorney duly authorized in writing, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require; and, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney duly authorized in writing, and upon compliance with appropriate procedures for transferring shares in uncertificated form. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Notwithstanding anything to the contrary in these Bylaws, at all times that the Corporation's stock is listed on a stock exchange, the shares of the stock of the Corporation shall comply with all direct registration system eligibility requirements established by such exchange, including any requirement that shares of the Corporation's stock be eligible for issue in book-entry form. All issuances and transfers of shares of the Corporation's stock shall be entered on the books of the Corporation with all information necessary to comply with such direct registration system eligibility requirements, including the name and address of the person to whom the shares of stock are issued, the number of shares of stock issued and the date of issue. The Board shall have the power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of shares of stock of the Corporation in both the certificated and uncertificated form.

SECTION 5.2. Lost, Stolen or Destroyed Certificates. No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and

on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or his discretion require.

SECTION 5.3. Record Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

SECTION 5.4. Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

ARTICLE VI

INDEMNIFICATION

SECTION 6.1. Indemnification.

(A) Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "Proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was, at any time during which this Bylaw is in effect (whether or not such person continues to serve in such capacity at the time any indemnification or advancement of expenses pursuant hereto is sought or at the time any Proceeding relating thereto exists or is brought), a director or officer of the Corporation or is or was at any such time serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation (hereinafter, a "Covered Person"), whether the basis of such Proceeding is alleged action in an official capacity as a director, officer, trustee, employee or agent or in any other capacity while serving as a director, officer, trustee, employee or agent, shall be (and shall be deemed to have a contractual right to be) indemnified and held harmless by the Corporation (and any successor of the Corporation by merger or otherwise) to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater indemnification rights than said law permitted the Corporation to provide prior to such amendment or modification), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, trustee, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in paragraph (A) of Section 6.3, the Corporation shall indemnify any such person seeking indemnification in connection with a Proceeding (or part thereof) initiated

by such person only if such Proceeding (or part thereof) was authorized by the Board of Directors.

(B) To obtain indemnification under this Bylaw, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification, a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, (i) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (ii) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant, or (iii) if a quorum of Disinterested Directors so directs, by a majority vote of the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by the Board of Directors unless there shall have occurred within two years prior to the date of the commencement of the Proceeding for which indemnification is claimed a "Change of Control" as defined in the Corporation's Incentive Stock Plan, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board of Directors. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

SECTION 6.2. Mandatory Advancement of Expenses. To the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater rights to advancement of expenses than said law permitted the Corporation to provide prior to such amendment or modification), each Covered Person shall have (and shall be deemed to have a contractual right to have) the right, without the need for any action by the Board of Directors, to be paid by the Corporation (and any successor of the Corporation by merger or otherwise) the expenses incurred in connection with any Proceeding in advance of its final disposition, such advances to be paid by the Corporation within twenty (20) days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter, the "Undertaking") by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal (a "final disposition") that such director or officer is not entitled to be indemnified for such expenses under this Bylaw or otherwise.

SECTION 6.3. Claims.

(A) (1) If a claim for indemnification under this Article VI is not paid in full by the Corporation within thirty (30) days after a written claim pursuant to Section 6.1(B) of these Bylaws has been received by the Corporation, or (2) if a request for advancement of expenses under this Article VI is not paid in full by the Corporation within twenty (20) days after a statement pursuant to Section 6.2 of these Bylaws and the required Undertaking, if any, have been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim for indemnification or request for advancement of expenses and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action that, under the General Corporation Law of the State of Delaware, the claimant has not met the standard of conduct which makes it permissible for the Corporation to indemnify the claimant for the amount claimed or that the claimant is not entitled to the requested advancement of expenses, but (except where the required Undertaking, if any, has not been tendered to the Corporation) the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, Independent Counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, Independent Counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(B) If a determination shall have been made pursuant to Section 6.1(B) of these Bylaws that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to paragraph (A) of this Section 6.3.

(C) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to paragraph (A) of this Section 6.3 that the procedures and presumptions of this Bylaw are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Bylaw.

SECTION 6.4. Contract Rights; Amendment and Repeal; Non-exclusivity of Rights.

(A) All of the rights conferred in this Article VI, as to indemnification, advancement of expenses and otherwise, shall be contract rights between the Corporation and each Covered Person to whom such rights are extended that vest at the commencement of such Covered Person's service to or at the request of the Corporation and (x) any amendment or modification of this Article VI that in any way diminishes or adversely affects any such rights shall be prospective only and shall not in any way diminish or adversely affect any such rights with respect to such person, and (y) all of such rights shall continue as to any such Covered Person who has ceased to be a director or officer of the Corporation or ceased to serve at the Corporation's request as a director, officer, trustee, employee or agent of another corporation,

partnership, joint venture, trust or other enterprise, as described herein, and shall inure to the benefit of such Covered Person's heirs, executors and administrators.

(B) All of the rights conferred in this Article VI, as to indemnification, advancement of expenses and otherwise, (i) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or Disinterested Directors or otherwise and (ii) cannot be terminated by the Corporation, the Board of Directors or the stockholders of the Corporation with respect to a person's service prior to the date of such termination.

SECTION 6.5. Insurance, Other Indemnification and Advancement of Expenses

(A) The Corporation may maintain insurance, at its expense, to protect itself and any current or former director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware. To the extent that the Corporation maintains any policy or policies providing such insurance, each such current or former director or officer, and each such agent or employee to whom rights to indemnification have been granted as provided in paragraph (B) of this Section 6.5, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such current or former director, officer, employee or agent.

(B) The Corporation may, to the extent authorized from time to time by the Board of Directors or the Chief Executive Officer, grant rights to indemnification and rights to advancement of expenses incurred in connection with any Proceeding in advance of its final disposition, to any current or former employee or agent of the Corporation to the fullest extent of the provisions of this Bylaw with respect to the indemnification and advancement of expenses of current or former directors and officers of the Corporation.

SECTION 6.6. Definitions. For purposes of this Bylaw:

- (1) "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.
- (2) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this Bylaw.

Any notice, request or other communication required or permitted to be given to the Corporation under this Bylaw shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

SECTION 6.7. Severability. If any provision or provisions of this Bylaw shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Bylaw (including, without limitation, each portion of any paragraph of this Bylaw containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Bylaw (including, without limitation, each such portion of any paragraph of this Bylaw containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 7.1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

SECTION 7.2. Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 7.3. Seal. The corporate seal shall have inscribed thereon the words "Corporate Seal", the year of incorporation and around the margin thereof the words "Rayonier Advanced Materials Inc. – Delaware."

SECTION 7.4. Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 7.5. Audits. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be done annually.

SECTION 7.6. Resignations. Any director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board, the Chief Executive Officer, the President, or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the Chief Executive Officer, the President, or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

ARTICLE VIII

CONTRACTS, PROXIES, ETC.

SECTION 8.1. Contracts. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board may determine. The Chairman of the Board, the Chief Executive Officer, the President or any Vice President may execute bonds, contracts, deeds, leases and other instruments to be made or executed for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors or the Chairman of the Board, the Chief Executive Officer, the President or any Vice President of the Corporation may delegate contractual powers to others under his jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 8.2. Proxies. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the Chief Executive Officer, the President or any Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLE IX

AMENDMENTS

SECTION 9.1. Amendments. These Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted, (i) by the affirmative vote of shares representing a majority of voting power of all of the Voting Stock, voting together as a single class; provided, however, that any proposed alteration, amendment or repeal of, or the adoption of any Bylaw inconsistent with, Section 2.2, Section 2.13, Section 3.2, Section 3.10, Section 3.12, Article VI or this Article IX of the Bylaws (in each case, as in effect on the date hereof), or the alteration, amendment or repeal of, or the adoption of any provision inconsistent with this sentence, may only be made by the affirmative vote of shares representing not less than eighty percent (80%) of the voting power of all of the Voting Stock, voting together as a single class; and provided further, however, that in the case of any such stockholder action at a meeting of stockholders, notice of the proposed alteration, amendment, repeal or adoption of the new Bylaw or Bylaws must be contained in the notice of such meeting, or (ii) by action of the Board of Directors of the Corporation.

Supplemental Response
EXHIBIT #4

RAYONIER ADVANCED MATERIALS INC.

Corporate Governance Principles

Adopted June 27, 2014

The following principles govern the function, composition, and operation of the Board of Directors (the "Board") of Rayonier Advanced Materials Inc. (the "Company"). The Board is divided into three classes of approximately equal size, with each class elected by the shareholders to staggered three-year terms.

I. GOAL AND FUNCTION OF BOARD OF DIRECTORS.

1. The Board is responsible for selecting and overseeing senior management of the Company on behalf of the shareholders, and for advising and counseling senior management on major decisions including establishment of the Company's strategic direction and financial goals. In fulfilling such role, the primary duties of the Board are:

- (i) to select, evaluate and compensate the Chairman of the Board and the Chief Executive Officer (the "CEO");
- (ii) to create and maintain a plan for CEO and senior management succession;
- (iii) to regularly review, approve and monitor corporate strategy;
- (iv) to review and approve major corporate actions;
- (v) to review and approve annual operating plans and budgets; and
- (vi) to ensure that adequate systems of financial and internal controls, and effective legal compliance and ethics programs, are in place.

While it is the general policy of the Board to consider all major decisions affecting the Company, the Board may delegate certain duties and responsibilities to one or more of its Committees.

II. BOARD COMMITTEES.

1. The Board maintains the following three Committees:

- (i) the Audit Committee;
- (ii) the Compensation and Management Development Committee (the "Compensation Committee"); and
- (iii) the Nominating and Corporate Governance Committee (the "Nominating Committee").

Each Committee operates under a written charter specifying the responsibilities delegated to it by the Board. Committee memberships and chairs are rotated periodically. The Committee chairs report to the full Board on the actions taken at each Committee meeting.

All Committee members are independent. The Nominating Committee annually reviews Committee assignments and evaluates the Board's policy with respect to rotation of Committee members and chairpersons. In connection with such review, the Nominating Committee recommends Committee assignments for Board approval on an annual basis.

III. COMPOSITION OF BOARD OF DIRECTORS.

1. **Selection/Qualification.** The Nominating Committee has been delegated responsibility to identify, recruit, screen, and recommend individuals to fill vacancies on the Board, including consideration of potential director nominees recommended by shareholders. Final approval of director nominees to stand for election by the shareholders, and of candidates to fill Board vacancies, is made by the full Board. The Nominating Committee considers the knowledge, experience, diversity, and personal and professional integrity of potential directors, as well as their willingness to devote the time necessary to effectively carry out the duties and responsibilities of Board membership. The Nominating Committee may reevaluate the relevant criteria for Board membership from time to time in response to changing business factors or regulatory requirements.
2. **Independence.** Not less than 75% of Board members will be "independent" directors. In accordance with applicable listing standards of the New York Stock Exchange ("NYSE"), no director shall be considered to be independent unless the Board has affirmatively determined that such director has no material relationship with the Company, directly or indirectly. In order to assist the Board in making such determinations, the Board has adopted the "Director Independence Standards" attached hereto as Exhibit A.
3. **Limit on Number of Directorships/Audit Committees.** Directors who are also sitting CEOs may not serve on more than two other public company boards in addition to the Board. Other directors may not serve on more than three other public company boards in addition to the Board. Upon being invited to serve on the board of any other publicly held or for-profit company, a director is required to notify the Corporate Secretary, who shall in turn discuss with the Nominating Committee any issues which may relate to the Company should the director accept the invitation. In addition, no director serving on the Company's Audit Committee may simultaneously serve on the audit committees of more than two other public companies.
4. **Retirement Age.** No director shall stand for reelection after he or she has reached the age of 72.
5. **Change in Principal Position or Personal Circumstances.** A director retiring from or changing the principal position he or she held when initially elected to the Board, or who experiences a change in his or her personal circumstances that could reasonably be expected to have an adverse effect on the director's reputation or the reputation of the Company, shall offer, in writing to the Corporate Secretary, to resign from the Board as of the date of the retirement, change in position, or change in personal circumstances. The Nominating Committee shall then consider the circumstances and recommend to the Board whether or not to accept the offered resignation.

6. Voting for Directors. If an incumbent director is nominated, but not reelected, that director shall tender his or her resignation to the Board. The Nominating Committee shall consider the resignation and make a recommendation to the full Board as to whether to accept or reject the resignation. The full Board will make a determination and publicly disclose its decision and rationale within 90 days after receipt of the tendered resignation. Any director who tenders his or her resignation pursuant to this provision shall not participate in the Nominating Committee's recommendation or Board action regarding whether to accept the resignation offer; provided, however, that if each member of the Nominating Committee fails to receive a sufficient vote for reelection, then the independent directors who did receive a sufficient vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them. If the only directors who do not fail to receive a sufficient vote for reelection constitute three or fewer directors, then all may participate in the action regarding whether to accept the resignation offers.

IV. OPERATION OF THE BOARD.

1. Orientation/Training. Each new director is given a thorough orientation with respect to his or her duties and responsibilities as a director, including background materials with respect to the Company's businesses, meetings with senior management, and visits to Company facilities. The Nominating Committee has been delegated responsibility to periodically monitor the orientation and training needs of directors and recommend appropriate action.

2. Meetings. The Board holds not less than five regular meetings each year. Directors are expected to attend all scheduled Board meetings and all meetings of Committees on which they serve. Members of senior management may be selected by the Chairman to attend Board meetings or portions thereof in order to present matters within their areas of responsibility and participate in discussions. The non-management directors meet without management present at each regularly scheduled Board meeting, and at other Board meetings upon the request of any director.

3. Lead Director. The Board has established the position of Lead Director to be elected by a majority of the independent directors based upon the recommendation of the Nominating Committee. The Lead Director shall be independent and shall serve for a term of two years. The duties of the Lead Director include, but are not limited to, the following:

- (i) presides at all meetings of the Board at which the Chairman/CEO is not present, including executive sessions of the independent directors;
- (ii) serves as liaison between the Chairman/CEO and the independent directors;
- (iii) approves information sent to the Board;
- (iv) approves meeting agendas for the Board;
- (v) approves meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- (vi) has the authority to call meetings of the independent directors; and
- (vii) if requested by major shareholders, ensures that he or she is available for consultation and direct communication.

4. **Agenda and Board Materials.** The Chairman of the Board, in conjunction with the Lead Director, is responsible for setting the agenda of all Board meetings, recognizing those corporate actions and initiatives requiring review in order for the Board to fulfill its oversight and monitoring duties. In addition, any member of the Board may request that an item be included on the agenda. A copy of the agenda and related materials for each meeting is provided to directors in advance, and directors are expected to familiarize themselves with such materials in order to allow for active participation in meeting discussions.

5. **Access to Management/Independent Advisors.** Directors have free access to all members of management. In addition, the Board has the right to retain independent legal, financial, or other advisers at any time, as it may deem necessary or appropriate.

6. **Mandatory Stock Ownership.** Each director having served on the Board for four years or more is required to own Company shares totaling not less than the number of shares constituting the equity portion of his or her annual retainer for the previous four years. Prior to reaching their ownership requirement, a director is required to hold all Company shares received under his or her annual equity retainer.

7. **Board Compensation.** The Nominating Committee annually reviews the Board's policies regarding director compensation, taking into account the time commitment involved, the forms and levels of compensation of directors at comparable companies, and such other factors as it may consider relevant. Based on such review, the Nominating Committee makes recommendations to the Board with respect to director compensation and benefits, which are approved annually. Employee-directors receive no additional compensation for Board service.

8. **Management Succession.** The Board, in conjunction with the Compensation Committee, reviews and monitors management development and succession plans for senior management positions, including CEO. As part of such process, the Compensation Committee would recommend to the Board an individual to assume the CEO position in the event of the current CEO's retirement or incapacity.

9. **CEO Evaluation and Compensation.** The Compensation Committee sets the compensation and benefits of all executive officers of the Company, except the CEO, whose compensation is approved by the Board. The CEO is evaluated, and his or her compensation is set, based on performance against annual and long-term corporate and individual goals and objectives, the performance and relative shareholder return of the Company, the level of CEO compensation at comparable companies, past compensation levels, and such other factors as the Compensation Committee or the Board may consider appropriate.

10. **Performance Evaluation.** The Nominating Committee is responsible for establishing and overseeing a process for annual self-evaluation of Board effectiveness and the effectiveness of the operation and performance of each Committee.

11. **Communications.** The CEO and senior management are responsible for public communications and disclosures on behalf of the Company. As a general policy, directors do not meet with shareholders, employees or other stakeholders without management present.

V. PERIODIC REVIEW.

1. The Nominating Committee reviews these Corporate Governance Principles on not less than an annual basis, and recommends such changes as it may deem necessary or appropriate for approval by the Board.

EXHIBIT A
To Corporate Governance Principles

Director Independence Standards
Adopted June 27, 2014

It is the policy of the Board of Directors (the “Board”) of Rayonier Advanced Materials Inc. (the “Company”) that at least 75% of its members be independent of the Company and its management. Per New York Stock Exchange (“NYSE”) regulations, a Director is independent if the Board affirmatively determines that the Director and his or her affiliates do not have any direct or indirect material relationship with the Company or its affiliates¹ or any member of senior management of the Company or his or her affiliates. The Board has established the following standards to assist it in making determinations of Director independence:

1. Unless otherwise determined by the Board after considering all relevant facts and circumstances, a Director is not independent if:
 - (i) The Director is, or has been within the last three years, an employee of the Company, or an immediate family member² is, or has been within the last three years, an executive officer of the Company.
 - (ii) The Director or an immediate family member has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than:
 - (a) director and Board committee fees;
 - (b) pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); and
 - (c) compensation received by an immediate family member for service as an employee of the Company (other than as an executive officer).
 - (iii) The Director is a current partner or employee, or an immediate family member is a current partner, of the Company’s internal or external auditor.

¹ “Affiliates” shall mean any corporation or other entity that controls, is controlled by, or is under common control with the Company, evidenced by the power to elect a majority of the Board of Directors or comparable governing body of such entity. Any references to a Director and the Company shall include their respective Affiliates.

² For purposes of these standards, “immediate family member” shall mean a person’s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone else sharing the Director’s home (other than domestic employees); provided, that any such persons who no longer have any such relationship as of the relevant measurement date as a result of legal separation, divorce, death, or incapacitation shall not be considered immediate family members.

- (iv) The Director has an immediate family member who is a current employee of the Company's internal or external auditor and personally works on the Company's audit.
- (v) The Director or an immediate family member was within the last three years a partner or employee of the Company's internal or external auditor and personally worked on the Company's audit within that time.
- (vi) The Director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executives at the same time serves or served on that company's compensation committee.
- (vii) The Director is a current executive officer, partner, or employee of, or has an ownership interest of more than 5% in, or an immediate family member of such Director is a current executive officer or has an ownership interest of more than 5% in, an entity that has made payments to or received payments from the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% percent of the other company's consolidated gross revenue.

2. Consistent with NYSE regulations, contributions to tax-exempt organizations are not considered "payments" for purposes of Subsection 1(vii) above. However, NYSE regulations also require that if a Director or an immediate family member serves as an executive officer of a tax-exempt organization to which the Company has made contributions in an amount which, in any of its last three fiscal years, exceeds the greater of \$1 million or 2% of such organization's consolidated gross revenues, such contributions shall be disclosed in the Company's annual proxy statement even though they are determined not to impair the Director's independence.

3. The Board may determine that a Director who does not meet the criteria set forth in Section 1 above is nevertheless independent. For illustration purposes, if a Director is an executive officer of a company that has paid the Company in excess of the greater of \$1 million or 2% of that company's consolidated gross revenues in the last year for the purchase of the Company's products, the Board could determine, after considering all relevant facts and circumstances, that the relationship is not material to the Director's independence. The Company shall explain in its proxy statement the basis for any Board determination that such a relationship was immaterial, despite the fact that it did not meet the criteria set forth in Section 1 above. Conversely, the Board reserves the right to determine that a relationship is material and that a Director is not independent even if the criteria set forth in Section 1 above are satisfied.

4. In addition to the criteria set forth in Section 1 above, in order to be considered to be independent for purposes of serving as a member of the Audit Committee, a director may not, other than in his or her capacity as a member of such Committee, the Board or any other Board committee:

- (i) Accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof, provided that, unless the rules of the NYSE provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service); or
- (ii) Be an affiliated person of the Company or any subsidiary thereof.

5. In determining the independence of any director who will serve on the Compensation and Management Development Committee, the Board must consider, in addition to the criteria set forth in Section 1 above, all factors specifically relevant to determining whether a director has a relationship with the Company which is material to that director's ability to be independent from management in connection with the duties of a member of such Committee, including, but not limited to:

- (i) The source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
- (ii) Whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

When considering the sources of a director's compensation in determining his or her independence for purposes of service on the Compensation and Management Development Committee, the Board should consider whether the director receives compensation from any person or entity that would impair his or her ability to make independent judgments about the Company's executive compensation. Similarly, when considering any affiliate relationship a director has with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company, in determining his or her independence for purposes of the Committee service, the Board should consider whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair his or her ability to make independent judgments about the Company's executive compensation.

6. The Board's determination of whether a relationship is material or not, and therefore whether the Director would be independent or not, shall be:

- (i) based upon the recommendation of the Nominating and Corporate Governance Committee;
- (ii) made by the Directors who satisfy the independence guidelines set forth above; and

(iii) disclosed in the Company's annual proxy statement if and to the extent required by Securities and Exchange Commission rules.

7. Independence determinations will be made annually at the time the Board approves Director nominees for inclusion in the Company's proxy statement in connection with its Annual Meeting of Shareholders and, if a Director nominee is considered for appointment to the Board between annual meetings, no later than the effective date of the Director's appointment. Each Director has an affirmative obligation to notify the Board of any change in circumstances that may put his or her independence at issue. If so notified, the Nominating and Corporate Governance Committee and the Board will reevaluate such Director's independence.

Supplemental Response
EXHIBIT #5



NORTH CAROLINA

Department of the Secretary of State

To all whom these presents shall come, Greetings:

I, Elaine F. Marshall, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF RESTATEMENT

OF

RAYONIER INC.

the original of which was filed in this office on the 21st day of May, 2012.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 21st day of May, 2012.

Secretary of State



Scan to verify online.

SOSID: 0335068
Date Filed: 5/21/2012 10:39:00 AM
Elaine F. Marshall
North Carolina Secretary of State

C201213900258

State of North Carolina
Department of the Secretary of State

ARTICLES OF RESTATEMENT
FOR BUSINESS CORPORATION

Pursuant to §55-10-07 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following for the purpose of restating its Articles of Incorporation.

1. The name of the corporation is: Rayonier Inc.
2. The text of the Restated Articles of Incorporation is attached.
3. (Check a, b, or c, as applicable.)

These Restated Articles of Incorporation contain a new amendment or amendments:

- a. Not requiring shareholder approval. (*Set forth a brief explanation of why shareholder approval was not required for such Amendment.*)

- b. Requiring shareholder approval. The amendments were adopted by the board of directors, and shareholder approval was obtained as required by Chapter 55 of the North Carolina General Statutes.
- c. These Restated Articles of Incorporation do not include a new amendment.

4. The text of each amendment adopted is as follows: (State below or attach):
See Exhibit A attached.

5. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment, if not contained in the amendment itself are as follows:
N/A

6. The date of adoption of each amendment was as follows:
May 17, 2012

CORPORATIONS DIVISION

P.O. BOX 29622

RALEIGH, NC 27626-0622

**ARTICLES OF RESTATEMENT
FOR BUSINESS CORPORATION**
Page 2

7. (Optional) The name and address of the current Registered Agent and Registered Office of the surviving business entity is:

Name of Registered Agent C T Corporation System

Number and Street 150 Fayetteville Street, Box 1011

City, State, Zip Code Raleigh, North Carolina 27601 County Wake

The mailing address *if different from the street address* of the above listed Registered Office is _____

8. These Restated Articles of Incorporation consolidate all amendments into a single document.

9. These articles will be effective upon filing, unless a delayed date and/or time is specified:

This the 18th day of May, 2012

Rayonier Inc.

Name of Corporation



Signature

W. Edwin Frazier, III, Senior Vice President,
Administration, CAO and Corporate Secretary

Type or Print Name and Title

NOTES:

1. Filing fee is \$10, to Restate Articles of Incorporation without an amendment.
2. Filing fee is \$30, to Restate Articles of Incorporation with an amendment.
3. This document must be filed with the Secretary of State.

(Revised September 2005)
CORPORATIONS DIVISION

P.O. BOX 29622

(Form B-03)

RALEIGH, NC 27626-0622

EXHIBIT A

II.

The Corporation shall have authority to issue 495,000,000 shares, of which 480,000,000 shall be Common Shares, and of which 15,000,000 shares shall be Preferred Shares, with the following powers, preferences and rights, and qualifications, limitations and restrictions:

and

V.

(a) The number of Directors constituting the Board of Directors shall be not less than three nor more than twelve, as may be fixed from time to time by resolution duly adopted by the Board of Directors. Beginning at the 2013 Annual Meeting of Shareholders, the directors elected to succeed those directors whose terms expire at that meeting shall be elected to a term of office to expire at the 2014 Annual Meeting of Shareholders; at the 2014 Annual Meeting of Shareholders, the directors elected to succeed those directors whose terms expire at that meeting shall be elected to a term of office to expire at the 2015 Annual Meeting of Shareholders; and at the 2015 Annual Meeting of Shareholders, and each annual meeting of shareholders thereafter, all directors shall be elected for terms expiring at the next annual meeting of shareholders and until such director's successor shall have been elected and qualified.

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
RAYONIER INC.**

The Corporation hereinafter named has duly adopted these Amended and Restated Articles of Incorporation (hereinafter, the "Articles of Incorporation") for the purpose of continuing a business corporation formed under and by virtue of the laws of the state of North Carolina, including the provisions of the North Carolina Business Corporation Act, as amended from time to time or any successor statute (the "NCBCA").

I.

The name of the corporation is RAYONIER INC. (hereinafter, the "Corporation").

II.

The Corporation shall have authority to issue 495,000,000 shares, of which 480,000,000 shall be Common Shares, and of which 15,000,000 shares shall be Preferred Shares, with the following powers, preferences and rights, and qualifications, limitations and restrictions:

(a) Except as otherwise provided by law, each Common Share shall have one vote, and, except as otherwise provided in respect of any series of Preferred Shares hereafter classified or reclassified, the exclusive voting power for all purposes shall be vested in the holders of the Common Shares. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares shall be entitled, after payment or provision for payment of the debts and other liabilities of the Corporation and the amount to which the holders of any series of Preferred Shares hereafter classified or reclassified having a preference on distributions in the liquidation, dissolution or winding up of the Corporation shall be entitled, to share ratably in the remaining net assets of the Corporation.

(b) The Board of Directors is authorized, subject to limitations prescribed by the NCBCA and these Articles of Incorporation, to adopt and file from time to time articles of amendment that authorize the issuance of Preferred Shares which may be divided into two or more series with such preferences, limitations, and relative rights as the Board of Directors may determine, provided, however, that no holder of any Preferred Share shall be authorized or entitled to receive upon the involuntary liquidation of the Corporation an amount in excess of \$100.00 per Preferred Share.

(c) No holder of any share of the Corporation, whether now or hereafter authorized, shall have any preemptive right to subscribe for or to purchase any shares or other securities of the Corporation, nor have any right to cumulate his votes for the election of Directors.

III.

The address of the registered office of the Corporation in the State of North Carolina is 150 Fayetteville Street, Box 1011, Raleigh, Wake County, North Carolina 27601; and the name of its registered agent at such address is CT Corporation System.

IV.

(a) The Board of Directors shall have the exclusive power and authority to direct the management of the business and affairs of the Corporation and shall exercise all corporate powers, and possess all authority, necessary or appropriate to carry out the intent of this provision, and which are customarily exercised by the board of directors of a public company. In furtherance of the foregoing, but without limitation, the Board of Directors shall have the exclusive power and authority to: (i) elect all officers of the Corporation as the Board may deem necessary or desirable from time to time, to serve at the pleasure of the Board; (ii) fix the compensation of such officers; (iii) fix the compensation of Directors; and (iv) determine the time and place of all meetings of the Board of Directors and Shareholders.

(b) The Board of Directors may create and make appointments to one or more committees of the Board comprised exclusively of Directors who will serve at the pleasure of the Board and who may have and exercise such powers of the Board in directing the management of the business and affairs of the Corporation as the Board may delegate, in its sole discretion, consistent with the provisions of the NCBCA and these Articles of Incorporation. The Board of Directors may not delegate its authority over the expenditure of funds of the Corporation except to a committee of the Board and except to one or more officers of the Corporation elected by the Board. No committee comprised of persons other than members of the Board of Directors shall possess or exercise any authority in the management of the business and affairs of the Corporation.

(c) The Board of Directors may adopt, amend or repeal the Corporation's bylaws, in whole or in part, including amendment or repeal of any bylaw adopted by the Shareholders.

(d) A majority of the Directors in office shall constitute a quorum for the transaction of business at a meeting of the Board of Directors.

V.

(a) The number of Directors constituting the Board of Directors shall be not less than three nor more than twelve, as may be fixed from time to time by resolution duly adopted by the Board of Directors. Beginning at the 2013 Annual Meeting of Shareholders, the directors elected to succeed those directors whose terms expire at that meeting shall be elected to a term of office to expire at the 2014 Annual Meeting of Shareholders; at the 2014 Annual Meeting of Shareholders, the directors elected to succeed those directors whose terms expire at that meeting shall be elected to a term of office to expire at the 2015 Annual Meeting of Shareholders; and at the 2015 Annual Meeting of Shareholders, and each annual meeting of shareholders thereafter, all directors shall be elected for terms expiring at the next annual meeting of shareholders and until such director's successor shall have been elected and qualified.

(b) Except as shall be otherwise permitted or authorized by these Articles of Incorporation, each director shall be elected by a vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present; *provided*, that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by a vote of the plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Section, a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of votes cast "against" that director.

(c) A vacancy occurring on the Board of Directors, including without limitation, a vacancy resulting from an increase in the number of Directors or from the failure by the Shareholders to elect the full authorized number of Directors, may only be filled by a majority of the remaining Directors or by the sole remaining Director in office. In the event of the death, resignation, retirement, removal or disqualification of a Director during his elected term of office, his successor shall serve until the next Shareholders' meeting at which Directors are elected. Directors may be removed from office only for cause.

(d) The only qualifications for Directors of the Corporation shall be those set forth in these Articles of Incorporation. Directors need not be residents of the State of North Carolina or Shareholders of the Corporation.

VI.

(a) The Corporation shall, to the fullest extent permitted from time to time by law, indemnify its Directors and officers against all liabilities and expenses in any suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Corporation, including all appeals therefrom, arising out of their status as such or their activities in any of the foregoing capacities, unless the activities of the person to be indemnified were at the time taken known or believed by him to be clearly in conflict with the best interests of the Corporation. The Corporation shall likewise and to the same extent indemnify any person who, at the request of the Corporation, is or was serving as a director,

officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or as a trustee or administrator under any employee benefit plan.

(b) The right to be indemnified hereunder shall include, without limitation, the right of a Director or officer to be paid expenses in advance of the final disposition of any proceeding upon receipt of an undertaking to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified hereunder.

(c) A person entitled to indemnification hereunder shall also be paid reasonable costs, expenses and attorneys' fees (including expenses) in connection with the enforcement of rights to the indemnification granted hereunder.

(d) The foregoing rights of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled and shall not be limited by the provisions of Section 55-8-51 of the General Statutes of North Carolina or any successor statute.

(e) The Board of Directors may take such action as it deems necessary or desirable to carry out these indemnification provisions, including adopting procedures for determining and enforcing the rights guaranteed hereunder, and the Board of Directors is expressly empowered to adopt, approve and amend from time to time such bylaws, resolutions or contracts implementing such provisions or such further indemnification arrangement as may be permitted by law.

(f) Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce any right to indemnification afforded by this Article to any person with respect to their status or any activities in their official capacities prior to such amendment, repeal or adoption.

VII.

To the full extent from time to time permitted by law, no person who is serving or who has served as a Director of the Corporation shall be personally liable in any action for monetary damages for breach of any duty as a Director, whether such action is brought by or in the right of the Corporation or otherwise. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a Director of the Corporation with respect to any matter which occurred, or any cause of action, suit or claim which but for this Article would have accrued or risen, prior to such amendment, repeal or adoption.

VIII.

The provisions of Article 9A of the NCBCA shall not be applicable to the Corporation.

IX.

Except as may be otherwise determined by the Board of Directors, the Shareholders of the Corporation shall have access as a matter of right only to the books and records of the Corporation as may be required to be made available to qualified Shareholders by the NCBCA.

X.

To the extent that there ever may be any inconsistency between these Articles of Incorporation and the bylaws of the Corporation as may be adopted or amended from time to time, the Articles of Incorporation shall always control.

**Supplemental Response
EXHIBIT #6**

**BYLAWS
OF
RAYONIER INC.**

Effective October 16, 2009

BYLAWS

OF

RAYONIER INC.

ARTICLE 1 — OFFICES

Section 1. Offices. The principal office of the Corporation may be located at such place as the Board of Directors may fix from time to time. The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may from time to time determine.

ARTICLE 2 — MEETINGS OF SHAREHOLDERS

Section 1. Place of Meeting. Meetings of Shareholders shall be held at such places, either within or without the State of North Carolina, as shall be fixed by the Board of Directors and designated in the notice of the meeting.

Section 2. Annual Meeting. The annual meeting of Shareholders shall be held on such date and at such time as the Board of Directors shall determine each year in advance thereof, for the purpose of electing Directors of the Corporation and the transaction of such other business as may be a proper subject for action at the meeting. Notwithstanding anything in these Bylaws to the contrary, no business shall be transacted at an annual meeting of Shareholders except such business as shall be (a) specified in the notice of meeting given as provided in Article 2, Section 4, (b) otherwise brought before the meeting by or at the direction of the Board of Directors or any committee thereof, or (c) otherwise brought before the meeting by a Shareholder who (i) was a Shareholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in Article 2, Section 7 regarding Shareholder proposals or Article 3, Section 6 regarding nominations of Directors, and at the time of the meeting, (ii) is entitled to vote at the meeting, and (iii) has complied with the procedure set forth in Article 2, Section 7 or Article 3, Section 6 as to such business. Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act") and included in the notice of meeting given as provided in Article 2, Section 4, the foregoing clause (c) shall be the exclusive means for a Shareholder to propose business to be brought before an annual meeting of Shareholders. If the chairman of the annual meeting determines that any business was not properly brought before the meeting in accordance with the provisions prescribed by these Bylaws, he shall so declare at the meeting; and to the extent permitted by law any such business not properly brought before the meeting shall not be transacted.

Section 3. Special Meetings. Special meetings of the Shareholders shall be held at such places and times as determined by the Board of Directors in their discretion as provided in the Articles of Incorporation.

Section 4. Notice of Meetings. At least 10 and no more than 60 days prior to any annual or special meeting of Shareholders, the Corporation shall notify Shareholders of the date, time and place of the meeting and, in the case of a special meeting or where otherwise required by the Articles of Incorporation or by law, shall briefly describe the purpose or purposes of the meeting. The only matters that may be brought before a special meeting are the matters specified in the Corporation's notice of meeting given by or at the direction of the Board of Directors or any committee thereof. Unless otherwise required by the Articles of Incorporation or by law, the Corporation shall be required to give notice only to Shareholders entitled to vote at the meeting. If an annual or special Shareholders' meeting is adjourned to a different date, time or place, notice thereof need not be given if the new date, time or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is fixed pursuant to Article 7, Section 5 hereof, notice of the adjourned meeting shall be given to persons who are Shareholders as of the new record date. Notice may be given either by personal delivery, or by telegraph, teletype, facsimile transmission or other form of electronic communication or by mail or private carrier. If mailed, notice shall be deemed to be effective when deposited in the United States mail with postage thereon prepaid, correctly addressed to the Shareholder's address shown in the Corporation's current record of Shareholders; provided, however, that notice is not required to be given to a Shareholder if (a) notice of two consecutive annual meetings, and all notices of meetings during the period between those two consecutive annual meetings, have been sent to the Shareholder at the Shareholder's address as shown in the Corporation's current record of Shareholders and have been returned undeliverable; or (b) all, but not less than two, payments of dividends on securities during a 12-month period, or two consecutive payments of dividends on securities during a period of more than 12 months, have been sent to the Shareholder at the Shareholder's address as shown on the Corporation's current record of Shareholders and have been returned undeliverable. If any Shareholder delivers to the Corporation a written notice setting forth the Shareholder's current address, the requirement that notice be given to the Shareholder shall be reinstated.

Section 5. Quorum. Except as may be provided in the terms of a series of Preferred Stock, a majority of the votes entitled to be cast by a voting group on a matter, represented in person or by proxy at a meeting of Shareholders, shall constitute a quorum for that voting group for any action on that matter, unless quorum requirements are otherwise fixed by a court of competent jurisdiction acting pursuant to Section 55-7-03 of the North Carolina Business Corporation Act (the "NCBCA"). Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and any adjournment thereof, unless a new record date is or must be set for the adjournment. Action may be taken by a voting group at any meeting at which a quorum of that voting group is represented, regardless of whether action is taken at that meeting by any other voting group. In the absence of a quorum at the

opening of any meeting of Shareholders, such meeting may be adjourned from time to time by a vote of the majority of the shares voting on the motion to adjourn.

Section 6. Voting of Shares. Except as otherwise provided by the Articles of Incorporation or by law, each outstanding share of voting capital stock of the Corporation shall be entitled to one vote on each matter submitted to a vote at a meeting of the Shareholders. Action on a matter by a voting group for which a quorum is present is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the vote of a greater number is required by law, by the Articles of Incorporation, by rules of any exchange on which the voting group's stock is listed or by Section 55-10-03(c) of the NCBCA. Voting on all matters shall be by ballot vote. Either the Board of Directors or the Chairman of the meeting may appoint one or more voting inspectors, each of whom shall take an oath to execute his duties impartially and to the best of his ability. The voting inspectors shall, by majority vote, resolve all questions regarding voting of shares, including the number of shares outstanding, the voting power of each, the shares represented at the meeting, the qualification of voters, the validity of proxies, the existence of a quorum as to any voting group, and the acceptance, rejection and tabulation of votes.

Section 7. Shareholder Proposals.

(a) For business proposed by a Shareholder (other than Director nominations) to be properly brought before an annual Shareholders meeting, the Shareholder must provide timely notice thereof in writing to the Secretary of the Corporation and must provide any updates or supplements to such notice as required by this Section 7, and any such proposed business must constitute a proper matter for Shareholder action. To be timely, a Shareholder's notice shall be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual Shareholders meeting; provided, however, in the event the date of the annual Shareholders meeting is more than 30 days before or more than 60 days after the first anniversary of the preceding year's annual Shareholders meeting, notice by a Shareholder must be so delivered, or mailed and received, not less than 90 days prior to such annual meeting and not more than 120 days prior to such annual meeting or, if later, the 10th day following the day on which public notice of the date of such annual meeting was first given. In no event shall any adjournment of an annual meeting or the announcement thereof commence a new time period for the giving of a Shareholder's notice as described above.

(b) Such Shareholder's notice shall set forth:

(i)(A) a reasonably brief description of the business proposed to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of the Shareholder and any beneficial owner on whose behalf the proposal is made, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration), and (C) a reasonably detailed description of all agreements, arrangements and understandings between such

Shareholder and beneficial owner, if any, and any other person or entity (including their names) in connection with the proposal of such business by such Shareholder.

(ii) as to the Shareholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made: (A) the name and address of such Shareholder, as they appear on the Corporation's books, and of such beneficial owner; (B)(1) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially (within the meaning of Rule 13d-3 under the Exchange Act) and of record by such Shareholder and such beneficial owner, except that such persons shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such person has a right to acquire beneficial ownership at any time in the future; (2) any derivative positions held or beneficially held and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short positions or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss to or manage risk of stock price changes for, or to increase or decrease the voting power of, such Shareholder or such beneficial owner with respect to any share of capital stock of the Corporation; and (3) any rights to dividends on the shares of the Corporation owned beneficially by such Shareholder or such beneficial owner that are separated or separable from the underlying shares of the Corporation, if any, as of the date of such notice; including in each case and without limitation any such interests held by members of such Shareholder's or such beneficial owner's immediate family sharing the same household; (C) any other information relating to such Shareholder and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal pursuant to Section 14(a) of the Exchange Act; (D) a representation that the Shareholder is a holder of record of stock of the Corporation entitled to vote at the annual meeting and intends to appear in person or through a qualified representative at the meeting to make such proposal; and (E) a representation whether the Shareholder or such beneficial owner intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal and/or otherwise solicit proxies from Shareholders in support of such proposal. For purposes of the foregoing clause (D), to be considered a qualified representative of the Shareholder, a person must be a duly authorized officer, manager or partner of such Shareholder or must be authorized by a writing executed by such Shareholder or an electronic transmission delivered by such Shareholder to act for such Shareholder as proxy at the annual meeting and such person must produce evidence of such authority (which may be through a reliable reproduction) at the annual meeting.

(c) A Shareholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 7 shall be true and correct as of the record date for the meeting and as of the date that is 10 business days prior to the meeting or any adjournment or postponement thereof. Such update and supplement shall be delivered to, or mailed and received by, the Secretary at

the principal executive offices of the Corporation not later than 5 business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date) and not later than 8 business days prior to the date of the meeting or any adjournment or postponement thereof (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof), if practicable (or, if not practicable, on the earliest practicable day prior to the date of the meeting or any adjournment or postponement thereof).

(d) Notwithstanding anything in these Bylaws to the contrary, no business proposed by a Shareholder (other than Director nominations) shall be conducted at an annual meeting except in accordance with this Section 7. The chairman of the annual Shareholders meeting shall, if the facts warrant, determine and declare to the meeting that a proposal was not made in accordance with the provisions prescribed by these Bylaws, and if the chairman should so determine, the chairman shall so declare to the meeting and the defective proposal shall be disregarded.

(e) This Section 7 is expressly intended to apply to any business proposed by a Shareholder (other than Director nominations) to be brought before an annual Shareholders meeting other than any proposal properly made pursuant to Rule 14a-8 under the Exchange Act and included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. Nothing in this Section 7 shall be deemed to affect the rights of Shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8. This Section 7 is further intended to apply to any Shareholder notice delivered in compliance with any inconsistent advance notice requirement mandated by rules or regulations of the Securities and Exchange Commission, except to the extent the provisions of this Section 7 are directly inconsistent with such mandated rules or regulations. In addition to the requirements of this Section 7, a Shareholder shall comply with all applicable requirements of the Exchange Act with regard to business proposed by the Shareholder to be brought before an annual meeting of Shareholders.

(f) For purposes of these Bylaws, "public notice" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

Section 8. Postponement of Shareholders' Meeting. A scheduled annual or special meeting of Shareholders may be postponed by the Board of Directors by public notice given at or prior to the time of the meeting.

Section 9. Shareholders' List. Before each meeting of Shareholders, the Secretary of the Corporation shall prepare an alphabetical list of the Shareholders entitled to notice of such meeting. The list shall be arranged by voting group (and within each voting group by class or series of shares) and show the address of and number of shares held by each Shareholder. The list shall be kept on file at the principal office of the Corporation, or at

a place identified in the meeting notice in the city where the meeting will be held, for the period beginning two business days after notice of the meeting is given and continuing through the meeting, and shall be available for inspection by any Shareholder, personally or by or with his representative, at any time during regular business hours. The list shall also be available at the meeting and shall be subject to inspection by any Shareholder, personally or by or with his representative, at any time during the meeting or adjournment thereof.

ARTICLE 3 — BOARD OF DIRECTORS

Section 1. General Powers. Except as otherwise expressly provided in the Articles of Incorporation or by law, the Board of Directors shall have the exclusive power and authority to direct the management of the business and affairs of the Corporation and shall exercise all corporate powers, and possess all authority, necessary or appropriate to carry out the intent of this provision, and which are customarily exercised by the board of directors of a public company.

Section 2. Number, Term and Qualification. The number, term and qualification of Directors of the Corporation shall be as provided in the Articles of Incorporation.

Section 3. Removal. Directors may be removed from office only for the reasons, if any, specified in the Articles of Incorporation.

Section 4. Vacancies. Vacancies occurring in the Board of Directors shall be filled only as provided in the Articles of Incorporation.

Section 5. Compensation. Compensation for the services of Directors as such shall be determined exclusively by the Board of Directors as provided in the Articles of Incorporation.

Section 6. Nominations for Election of Directors.

(a) Only persons who are nominated in accordance with the provisions set forth in these Bylaws shall be eligible to be elected as Directors at a Shareholders meeting. Nominations of persons for election to the Board of Directors at an annual meeting or at a special meeting (but only for such Director positions as may be specified in the notice of special meeting given as provided in Article 2, Section 4) of Shareholders may be made at such meeting only (i) by or at the direction of the Board of Directors or any committee thereof or (ii) by any Shareholder of the Corporation who (A) is a Shareholder of record (and, with respect to any beneficial owner, if different, on whose behalf such nomination is proposed to be made, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving of notice provided for in this Section 6 and at the time of the meeting, (B) who shall be entitled to vote for the election of Directors at the meeting and (C) who complies with the notice procedures set forth in this Section 6. The foregoing clause (ii) shall be the exclusive means for a Shareholder to make any

nomination of a person or persons for election to the Board of Directors at an annual meeting or a special meeting.

(b) A Shareholder making such a nomination must provide timely notice thereof in writing to the Secretary of the Corporation and must provide any updates or supplements to such notice as required by this Section 6. To be timely in connection with an annual meeting of Shareholders, a Shareholder's notice shall be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual Shareholders meeting; provided, however, in the event the date of the annual Shareholders meeting is more than 30 days before or more than 60 days after the first anniversary of the preceding year's annual Shareholders meeting, notice by a Shareholder must be so delivered, or mailed and received, not less than 90 days nor more than 120 days prior to such annual meeting or, if later, the 10th day following the date on which public notice of the date of such annual meeting was first made. To be timely in connection with a special meeting of Shareholders for which the election of Directors is a matter specified in the notice of meeting given as provided in Article 2, Section 4 by or at the direction of the Board of Directors or any committee thereof, a Shareholder's notice shall be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to such special meeting or, if later, the 10th day following the date on which public notice of the date of such special meeting was first made. In no event shall any adjournment of an annual meeting or a special meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Shareholder's notice as provided in this paragraph.

(c) Such Shareholder's notice shall:

(i) as to each person whom the Shareholder proposes to nominate for election or reelection as a Director: (A) set forth all information relating to such person which is required to be disclosed in solicitations of proxies for the election of Directors in a contested election pursuant to Section 14(a) of the Exchange Act (including such person's written consent to being named as a nominee and to serving as a Director if elected); (B) set forth a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such Shareholder and beneficial owner, if any, and their respective affiliates, associates or others acting in concert therewith, on the one hand, and each proposed nominee and his or her respective affiliates, associates or others acting in concert therewith, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K of the Securities and Exchange Commission if the Shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, or any affiliate, associate or other person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and (C) include a complete and signed questionnaire, representation and agreement of such nominee as required by paragraph (d) of this Section 6, and

(ii) as to the Shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, set forth the information required by Article 2, Section 7(b)(ii) (substituting the term "nomination" for the term "proposal" therein).

(d) To be eligible to be a nominee for election as a Director of the Corporation, the proposed nominee must deliver (in conjunction with, and in accordance with the time periods prescribed for the delivery of a nominating Shareholder's notice under this Section 6) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that the proposed nominee (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a Director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a Director of the Corporation, with such person's fiduciary duties under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a Director that has not been disclosed therein, and (iii) in such proposed nominee's individual capacity and on behalf of any person or entity on which behalf the nomination is being made, would be in compliance, if elected as a Director of the Corporation, and will comply, with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies, principles and guidelines of the Corporation. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent Director of the Corporation in accordance with the Corporation's corporate governance principles or that could be material to a reasonable Shareholder's understanding of the independence, or lack thereof, of such nominee.

(e) A Shareholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 6 shall be true and correct as of the record date for the meeting and as of the date that is 10 business days prior to the meeting or any adjournment or postponement thereof. Such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than 5 business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date) and not later than 8 business days prior to the date of the meeting or any adjournment or postponement thereof (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment or

postponement thereof), if practicable (or, if not practicable, on the earliest practicable date prior to the date of the meeting or any adjournment or postponement thereof).

(f) Notwithstanding anything in these Bylaws to the contrary, no person shall be eligible for election by the Shareholders as a Director of the Corporation except in accordance with Article 2, Section 2 or this Section 6. The chairman of the annual Shareholders meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the provisions prescribed by these Bylaws and, if the chairman should so determine, the chairman shall so declare to the meeting and the defective nomination shall be disregarded.

(g) As provided in Article V, Section (b) of the Corporation's Amended and Restated Articles of Incorporation, if the number of nominees exceeds the number of directors to be elected at any meeting for the election of directors at which a quorum is present, the directors shall be elected by a vote of the plurality of the shares represented and entitled to vote at such meeting. Such plurality vote standard shall also apply if, on the record date for such meeting, the number of nominees exceeds the number of directors to be elected, even if as of the meeting date the number of nominees is less than or equal to the number of directors to be elected.

(h) Notwithstanding the foregoing provisions of this Section 6, a Shareholder shall also comply with all applicable requirements of the Exchange Act with regard to the matters set forth in this Section 6. This Section 6 shall apply to any Shareholder notice delivered in compliance with any inconsistent advance notice requirement mandated by rules or regulations of the Securities and Exchange Commission, except to the extent that the provisions of this Section 6 are directly inconsistent with such mandated rules or regulations. Without limitation the foregoing provisions of this Section 6 shall not apply to any Director who is nominated and elected under specified circumstances by holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation.

ARTICLE 4 — MEETINGS OF DIRECTORS

Section 1. Annual and Regular Meetings. All annual and regular meetings of the Board of Directors shall be held at such places and times as determined by the Board of Directors in their discretion as provided in the Articles of Incorporation.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held at such places and times as determined by the Board of Directors in their discretion as provided in the Articles of Incorporation.

Section 3. Notice of Meetings. Unless the Board of Directors by resolution determines otherwise in accordance with authority set forth in the Articles of Incorporation, all meetings of the Board of Directors may be held without notice of the date, time, place or purpose of the meeting. The Secretary shall give such notice of any meetings called by the Board by such means of communication as may be specified by the Board. A

Director may waive notice before or after the date and time stated in such notice if the Director makes such waiver in writing, signs the waiver and the waiver is filed with the minutes or corporate records of the Corporation. A Director's attendance at or participation in a meeting waives any required notice to him of the meeting unless the Director at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 4. Quorum. The percentage of Directors in office specified in the Articles of Incorporation will constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5. Manner of Acting. A majority of Directors who are present at a meeting at which a quorum is present will constitute the required vote to effect any action taken by the Board of Directors.

Section 6. Written Consents. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more unrevoked written consents signed by each Director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records. Action taken without a meeting is effective when the last Director signs the unrevoked consent, unless the unrevoked consents specify a different effective date. A Director's consent to action may be revoked in a writing signed by the Director and delivered to the Corporation prior to the action becoming effective.

Section 7. Meeting by Communications Device. The Board of Directors may permit Directors to participate in any meeting of the Board of Directors by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 8. Presumption of Assent. A Director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless (a) he objects at the beginning of the meeting, or promptly upon his arrival, to holding it or to transacting business at the meeting, or (b) his dissent or abstention from the action taken is entered into the minutes of the meeting, or (c) he files written notice of his dissention or abstention with the presiding officer of the meeting before its adjournment or with the Corporation immediately after the adjournment of the meeting. Such right of dissent or abstention is not available to a Director who votes in favor of the action taken.

ARTICLE 5 — COMMITTEES

Section 1. Election and Powers. The Board of Directors may have such committees, with such members who shall have such powers and authority as may be determined by the

Board of Directors as provided by the Articles of Incorporation. To the extent specified by the Board of Directors or in the Articles of Incorporation, each committee shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation, except that no committee shall have authority to do the following:

- (a) Authorize distributions.
- (b) Approve or propose to Shareholders action required to be approved by Shareholders.
- (c) Fill vacancies on the Board of Directors or on any of its committees.
- (d) Amend the Articles of Incorporation.
- (e) Adopt, amend or repeal the bylaws.
- (f) Approve a plan of merger not requiring Shareholder approval.

Section 2. Removal; Vacancies. Unless the Board of Directors by resolution determines otherwise in accordance with authority specified in the Articles of Incorporation, any member of a committee may be removed at any time exclusively by the Board of Directors with or without cause, and vacancies in the membership of a committee as a result of death, resignation, disqualification or removal shall be filled by a majority of the whole Board of Directors.

Section 3. Meetings. The provisions of Article 4 governing meetings of the Board of Directors, action without meeting, notice, waiver of notice and quorum and voting requirements shall apply to the committees of the Board and its members to the extent not otherwise prescribed by the Board in the resolution authorizing the establishment of the committee.

Section 4. Minutes. Each committee shall keep minutes of its proceedings and shall report thereon to the Board of Directors at or before the next meeting of the Board.

ARTICLE 6 — OFFICERS

Section 1. Titles. Pursuant to authority conferred in the Articles of Incorporation, the Board of Directors shall have the exclusive power and authority to elect from time to time such officers of the Corporation, including a Chairman and a President (one of whom shall be the Chief Executive Officer), a Vice Chairman, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Vice Presidents, a Chief Financial Officer, a General Counsel, a Controller, a Treasurer, a Secretary, one or more Assistant Controllers, one or more Assistant Treasurers, and one or more Assistant Secretaries, and such other officers as shall be deemed necessary or desirable from time to time. The officers shall have the authority and perform the duties as set forth herein or

as from time to time may be prescribed by the Board of Directors. Any two or more offices may be held by the same individual, but no officer may act in more than one capacity where action of two or more officers is required.

The officers of the Corporation may appoint one or more individuals to hold a position which includes one of the titles indicated above. An individual holding such title by virtue of being so appointed rather than by virtue of being elected to such position by the Board of Directors shall not be an officer of the Corporation for purposes of the Articles of Incorporation or these Bylaws, but such individual shall have such duties as may be prescribed by the officer or officers appointing him or her.

Section 2. Election; Removal. Pursuant to authority conferred in the Articles of Incorporation, the officers of the Corporation shall be elected exclusively by or under the authority of the Board of Directors. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the Board of Directors. Officers shall hold office as specified at the time of their election, until their successors are elected and qualify, or until the earlier of their resignation or removal. Pursuant to authority conferred in the Articles of Incorporation, any officer may be removed at any time with or without cause by (a) the Board of Directors, (b) the appointing officer, unless these bylaws or the Board of Directors provide otherwise, or (c) any other officer if authorized by these bylaws or the Board of Directors.

Section 3. Compensation. Pursuant to authority conferred in the Articles of Incorporation, the compensation of the officers shall be fixed by the Board of Directors.

Section 4. General Powers of Officers. Except as may be otherwise provided in these bylaws or in the NCBCA, the Chairman, the Vice-Chairman, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Chief Financial Officer, the General Counsel, the Controller, the Treasurer, the Secretary, or any one of them, may (a) execute and deliver in the name of the Corporation, in the name of any division of the Corporation or in both names any agreement, contract, deed, instrument, power of attorney or other document pertaining to the business or affairs of the Corporation or any division of the Corporation, and (b) delegate to any employee or agent the power to execute and deliver any such agreement, contract, deed, instrument, power of attorney or other document.

Section 5. Chief Executive Officer. The Chief Executive Officer of the Corporation shall report directly to the Board. Except in such instances as the Board may confer powers in particular transactions upon any other officer, and subject to the control and direction of the Board, the Chief Executive Officer shall manage the business and affairs of the Corporation and shall communicate to the Board and any committee thereof reports, proposals and recommendations for their respective consideration or action. He may do and perform all acts on behalf of the Corporation.

Section 6. Chairman. The Chairman shall preside at meetings of the Board of Directors and the Shareholders and shall have such other powers and perform such other duties as the Board may prescribe or as may be prescribed in these bylaws.

Section 7. Vice Chairman. The Vice Chairman shall have such powers and perform such duties as the Board or the Chairman (to the extent he is authorized by the Board of Directors to prescribe the authority and duties of other officers) may from time to time prescribe or as may be prescribed in these bylaws.

Section 8. President. The President shall have such powers and perform such duties as the Board and the Chief Executive Officer (to the extent he is authorized by the Board of Directors to prescribe the authority and duties of other officers) may from time to time prescribe or as may be prescribed in these bylaws.

Section 9. Executive Vice Presidents, Senior Vice Presidents and Vice Presidents. The Executive Vice Presidents, Senior Vice Presidents and Vice Presidents shall have such powers and perform such duties as the Board or the Chief Executive Officer (to the extent he is authorized by the Board of Directors to prescribe the authority and duties of other officers) may from time to time prescribe or as may be prescribed in these bylaws.

Section 10. Chief Financial Officer. The Chief Financial Officer shall have such powers and perform such duties as the Board or the Chief Executive Officer (to the extent he is authorized by the Board of Directors to prescribe the authority and duties of other officers) may from time to time prescribe or as may be prescribed in these bylaws. The Chief Financial Officer shall present to the Board such balance sheets, income statements, budgets and other financial statements and reports as the Board or the Chief Executive Officer (to the extent he is authorized by the Board of Directors to prescribe the authority and duties of other officers) may require and shall perform such other duties as may be prescribed or assigned pursuant to these bylaws and all other acts incident to the position of Chief Financial Officer.

Section 11. Controller. The Controller shall be responsible for the maintenance of adequate accounting records of all assets, liabilities, capital and transactions of the Corporation. The Controller shall prepare such balance sheets, income statements, budgets and other financial statements and reports as the Board or the Chief Executive Officer or the Chief Financial Officer (to the extent they are authorized by the Board of Directors to prescribe the authority and duties of other officers) may require, and shall perform such other duties as may be prescribed or assigned pursuant to these bylaws and all other acts incident to the position of Controller.

Section 12. Treasurer.

(a) The Treasurer shall have the care and custody of all the funds and securities of the Corporation except as may be otherwise ordered by the Board, and shall cause such funds (i) to be invested or reinvested from time to time for the benefit of the Corporation as may be designated by the Board or by the Chairman, the Vice Chairman, the President,

the Chief Financial Officer or the Treasurer (to the extent they are authorized by the Board of Directors to make such designations), or (ii) to be deposited to the credit of the Corporation in such banks or depositories as may be designated by the Board or by the Chairman, the President, the Chief Financial Offer or the Treasurer (to the extent they are authorized by the Board of Directors to make such designations), and shall cause such securities to be placed in safekeeping in such manner as may be designated by the Board or by the Chairman, the President, the Chief Financial Officer or the Treasurer (to the extent they are authorized by the Board of Directors to make such designations).

(b) The Treasurer or such other person or persons as may be designated for such purpose by the Board or by the Chairman, the President, the Chief Financial Officer or the Treasurer (to the extent they are authorized by the Board of Directors to make such designations) may endorse in the name and on behalf of the Corporation all instruments for the payment of money, bills of lading, warehouse receipts, insurance policies and other commercial documents requiring such endorsement.

(c) The Treasurer or such other person or persons as may be designated for such purpose by the Board or by the Chairman, the President, the Chief Financial Officer or the Treasurer (to the extent they are authorized by the Board of Directors to make such designations), (i) may sign all receipts and vouchers for payments made to the Corporation; (ii) shall prepare a statement of the cash account of the Corporation to the Board as often as it shall require the same; and (iii) shall enter regularly in books to be kept for that purpose full and accurate account of all moneys received and paid on account of the Corporation and of all securities received and delivered by the Corporation.

(d) The Treasurer shall perform such other duties as may be prescribed or assigned pursuant to these bylaws and all other acts incident to the position of Treasurer.

Section 13. Secretary. The Secretary shall keep the minutes of all proceedings of the Shareholders, the Board and the Committees of the Board. The Secretary shall attend to the giving and serving of all notices of the Corporation, in accordance with the provisions of these bylaws and as required by the laws of the State of North Carolina. The Secretary shall cause to be prepared and maintained (a) at the office of the Corporation a stock ledger containing the names and addresses of all Shareholders and the number of shares held by each and (b) any list of Shareholders required by law to be prepared for any meeting of Shareholders. The Secretary shall be responsible for the custody of all stock books and of all unissued stock certificates. The Secretary shall be the custodian of the seal of the Corporation. The Secretary shall affix or cause to be affixed the seal of the Corporation to such contracts, instruments and other documents requiring the seal of the Corporation, and when so affixed may attest the same and shall perform such other duties as may be prescribed or assigned pursuant to these bylaws and all other acts incident to the position of Secretary.

Section 14. Voting Upon Securities. Unless otherwise ordered by the Board of Directors, the Chairman, the President, any Executive Vice President, any Senior Vice President or

any Vice President shall have full power and authority in behalf of the Corporation to attend, act and vote at meetings of the security holders of any entity in which this Corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities and which, as the owner, the Corporation might have possessed and exercised if present. The Board of Directors may by resolution from time to time confer such power and authority upon any other person or persons.

Section 15. Continuing Determination by Board. All powers and duties of the officers shall be subject to a continuing determination by the Board of Directors.

ARTICLE 7 — CAPITAL STOCK

Section 1. Certificates. The Board of Directors may authorize the issuance of some or all of the shares of the Corporation's classes or series without issuing certificates to represent such shares. If shares are represented by certificates, the certificates shall be in such form as required by law and as determined by the Board of Directors. Certificates shall be signed, either manually or by facsimile, by (a) the Chairman, the President or any Vice-President and by the Secretary, Assistant Secretary, Treasurer or Assistant Treasurer or (b) by any two officers designated by the Board of Directors. Each certificate may be sealed with the seal of the Corporation or a facsimile thereof. All certificates for shares shall be consecutively numbered or otherwise identified and entered into the stock transfer books of the Corporation. When shares are represented by certificates, the Corporation shall issue and deliver to each Shareholder to whom such shares have been issued or transferred certificates representing the shares owned by him. When shares are not represented by certificates, then within a reasonable time after the issuance or transfer of such shares, the Corporation shall send the Shareholder to whom such shares have been issued or transferred a written statement of the information required by law to be on certificates.

Section 2. Transfer of Shares. The Corporation shall maintain share transfer records, containing the name and address of each Shareholder of record and the number and class or series of shares held by such Shareholder. Transfers of shares of the Corporation shall be made only on the share transfer records of the Corporation by the holder of record thereof or by a duly authorized agent, transferee or legal representative and, if the shares are represented by certificates, only upon surrender for cancellation of the certificate for such shares.

Section 3. Transfer Agent and Registrar. The Board of Directors may appoint one or more transfer agents and one or more registrars of transfers and may require all stock certificates to be signed or countersigned by the transfer agent and registered by the registrar of transfers.

Section 4. Regulations. The Board of Directors may make rules and regulations as it deems expedient concerning the issue, transfer and registration of shares of capital stock of the Corporation.

Section 5. Fixing Record Date. For the purpose of determining Shareholders entitled to notice of or to vote at any meeting of Shareholders, or entitled to receive payment of any dividend, or in order to make a determination of Shareholders for any other purpose, the Board of Directors may fix in advance a date as the record date for the determination of Shareholders. The record date shall be not more than 70 days before the meeting or action requiring a determination of Shareholders. A determination of Shareholders entitled to notice of or to vote at a Shareholders' meeting shall be effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

Section 6. Lost Certificates. The Board of Directors must authorize the issuance of a new certificate in place of a certificate claimed to have been lost, destroyed or wrongfully taken, upon receipt of (a) an affidavit from the person explaining the loss, destruction or wrongful taking, and (b) a bond from the claimant in a sum as the Corporation may reasonably direct to indemnify the Corporation against loss from any claim with respect to the certificate claimed to have been lost, destroyed or wrongfully taken. The Board of Directors may, in its discretion, waive the affidavit and bond and authorize the issuance of a new certificate in place of a certificate claimed to have been lost, destroyed or wrongfully taken.

ARTICLE 8 — GENERAL PROVISIONS

Section 1. Dividends and other Distributions. The Board of Directors may from time to time declare and the Corporation may pay dividends or make other distributions with respect to its outstanding shares in the manner and upon the terms and conditions provided by law.

Section 2. Seal. The seal of the Corporation shall be any form approved from time to time or at any time by the Board of Directors.

Section 3. Depositaries. The Chairman, the President, the Chief Financial Officer, and the Treasurer are each authorized to designate depositaries for the funds of the Corporation deposited in its name or that of a division of the Corporation, or both, and the signatories with respect thereto in each case, and from time to time, to change such depositaries and signatories, with the same force and effect as if each such depositary and the signatories with respect thereto and changes therein had been specifically designated or authorized by the Board; and each depositary designated by the Board or by the Chairman, the President, the Chief Financial Officer, or the Treasurer shall be entitled to rely upon the certificate of the Secretary or any Assistant Secretary of the Corporation or of a division of the Corporation setting forth the fact of such designation and of the appointment of the officers of the Corporation or of the Division or of both or of other persons who are to be signatories with respect to the withdrawal of funds deposited with such depositary, or from time to time the fact of any change in any depositary or in the signatories with respect thereto.

Section 4. Signatories. Unless otherwise designated by the Board or by the Chairman, the President, the Chief Financial Officer or the Treasurer, all notes, drafts, checks, acceptances, orders for the payment of money shall be (a) signed by the Treasurer or any Assistant Treasurer and (b) countersigned by the Controller or any Assistant Controller, or either signed or countersigned by the Chairman, the Vice Chairman, the President, any Executive Vice President, any Senior Vice President or any Vice President in lieu of either the officers designated in (a) or the officers designated in (b) of this Section.

Section 5. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board of Directors.

Section 6. Amendment. These bylaws may be amended or repealed by the Board of Directors, including any bylaw adopted, amended or repealed by the Shareholders generally. These bylaws may be amended or repealed by the Shareholders even though the bylaws may also be amended or repealed by the Board of Directors.

Section 7. Definitions. Unless the context otherwise requires, terms used in these bylaws shall have the meanings assigned to them in the NCBCA to the extent defined therein.

Section 8. Electronic Transactions. The Corporation may conduct any action or set of actions by any electronic means.