

RAYONIER INC  
Form PRE 14A  
March 12, 2010  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**RAYONIER INC.**

(Name of Registrant as Specified In Its Charter)

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*Corporate Headquarters*

April 5, 2010

Dear Shareholder:

You are cordially invited to attend our Annual Meeting of Shareholders on Thursday, May 20, 2010, at the Omni Jacksonville Hotel, 245 Water Street, Jacksonville, Florida, at 4:00 p.m. local time. In the following Notice of Annual Meeting and Proxy Statement we describe the matters you will be asked to vote on at the Annual Meeting.

Once again we are pleased to utilize the Securities and Exchange Commission rules allowing us to furnish our proxy materials to you over the Internet. We believe this allows us to provide the information you need in a more timely, efficient and cost effective manner.

As always, your vote is very important. I urge you to vote on the Internet, by telephone or by mail in order to be certain your shares are represented at the meeting, even if you plan to attend.

Sincerely yours,

LEE M. THOMAS

*Chairman, President and Chief Executive Officer*

Rayonier Inc.                      50 North Laura Street                      Jacksonville, FL 32202

Telephone (904) 357-9100                      Fax (904) 357-9101

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*Corporate Headquarters*

April 5, 2010

**NOTICE OF 2010 ANNUAL MEETING**

Notice is hereby given that the 2010 Annual Meeting of the Shareholders of Rayonier Inc., a North Carolina corporation, will be held at the Omni Jacksonville Hotel, 245 Water Street, Jacksonville, Florida on Thursday, May 20, 2010 at 4:00 p.m. local time, for the purposes of:

- 1) electing four directors named herein: three as Class I directors to terms expiring in 2013 and one as a Class II director to a term expiring in 2011;
- 2) approving an amendment to the Company's Amended and Restated Articles of Incorporation to increase the number of authorized common shares from 120 million to 240 million shares;
- 3) approving certain amendments to the Rayonier Incentive Stock Plan;
- 4) ratifying the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2010; and
- 5) acting upon such other matters as may properly come before the meeting.

All Rayonier shareholders of record at the close of business on March 22, 2010 are entitled to vote at the meeting.

**We urge you to vote your shares over the Internet, by telephone or through the mail at your earliest convenience.**

W. EDWIN FRAZIER, III  
*Senior Vice President, Chief Administrative Officer*  
  
*and Corporate Secretary*

Rayonier Inc.                      50 North Laura Street                      Jacksonville, FL 32202  
Telephone (904) 357-9100                      Fax (904) 357-9101

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**PROXY STATEMENT**

**Annual Meeting of Rayonier Shareholders**

**Thursday, May 20, 2010**

The 2010 Annual Meeting of Shareholders of Rayonier Inc. will be held on May 20, 2010, for the purposes set forth in the accompanying Notice of 2010 Annual Meeting. This Proxy Statement and the accompanying proxy card are furnished in connection with the solicitation by the Board of Directors of proxies to be used at the meeting and at any adjournment of the meeting. We will refer to your company in this Proxy Statement as we, us, the Company or Rayonier.

**GENERAL INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING**

**Distribution And Electronic Availability Of Proxy Materials**

This year we are once again utilizing the Securities and Exchange Commission ( SEC ) rules that allow companies to furnish proxy materials to shareholders via the Internet. If you received a Notice of Internet Availability of Proxy Materials ( Internet Notice ) by mail, you will not receive a printed copy of the proxy materials unless you specifically request one. The Internet Notice tells you how to access and review the Proxy Statement and our 2009 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, including financial statements, as well as how to submit your proxy over the Internet. If you received the Internet Notice and would still like to receive a printed copy of our proxy materials, simply follow the instructions for requesting these materials included in the Internet Notice. The Internet Notice, these proxy solicitation materials and our Annual Report were first made available on the Internet and mailed to certain shareholders on or about April 5, 2010.

**The 2010 Notice of Annual Meeting and Proxy Statement and our 2009 Annual Report are available at [www.ProxyVote.com](http://www.ProxyVote.com).**

**QUESTIONS AND ANSWERS**

**Q: WHAT AM I VOTING ON?**

**A:** You are being asked by the Company to vote on four matters: (1) the election of four directors: C. David Brown, II, John E. Bush, Paul G. Kirk, Jr. and Lee M. Thomas (more information on each nominee is included beginning on page 7); (2) approval of an amendment to the Company's Amended and Restated Articles of Incorporation to increase the number of authorized common shares from 120 million to 240 million shares (see page 48); (3) approval of certain amendments to the Rayonier Incentive Stock Plan (beginning on page 49); and (4) ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2010 (see page 54). **The Board of Directors recommends that you vote FOR each of the proposals.**

**Q: WHO IS ENTITLED TO VOTE?**

**A:** The record holder of each of the shares of Rayonier common stock ( Common Shares ) outstanding at the close of business on March 22, 2010 is entitled to one vote for each share owned.

**Q:**

**WHY DID I RECEIVE A ONE-PAGE NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS INSTEAD OF A FULL SET OF PROXY MATERIALS?**

- A:** As allowed under SEC rules, we are providing access to our proxy materials and Annual Report over the Internet to all shareholders who have not previously indicated a preference to receive paper copies. The Internet Notice advised you of the website where you can access the proxy materials and Annual Report, how to request a printed set of the proxy materials and Annual Report if you would like, and how to submit your proxy over the Internet.

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**Q: HOW DO I VOTE?**

**A:** You can vote in any one of the following ways:

*You can vote on the Internet* by following the *Vote by Internet* instructions on your Internet Notice or proxy card.

*You can vote by telephone* by following the *Vote by Phone* instructions on [the \*\*www.ProxyVote.com\*\*](http://www.ProxyVote.com) website referred to in the Internet Notice.

*If you receive hard copies of the proxy solicitation materials, you can vote by mail* by signing and dating your proxy card and mailing it in the provided prepaid envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct. If you return a signed and dated card but do not provide voting instructions, your shares will be voted in accordance with the recommendations of the Board of Directors.

*You can vote in person at the Annual Meeting* by delivering a completed proxy card or by completing a ballot available upon request at the meeting. However, if you hold your shares in a bank or brokerage account rather than in your own name, you must obtain a legal proxy from your stockbroker in order to vote at the meeting.

Regardless of how you choose to vote, your vote is important and we encourage you to vote promptly.

**Q: HOW DO I VOTE SHARES THAT I HOLD THROUGH AN EMPLOYEE BENEFIT PLAN SPONSORED BY THE COMPANY?**

**A:** If you hold shares of the Company through any of the following employee benefit plans, you vote them by following the instructions above. The employee benefit plans are:

Rayonier Investment and Savings Plan for Salaried Employees

Rayonier Inc. Savings Plan for Non-Bargaining Unit Hourly Employees at Certain Locations

Rayonier-Jesup Mill Savings Plan for Hourly Employees

Rayonier Inc.-Fernandina Mill Savings Plan for Hourly Employees

If you hold shares in any of these Company employee benefit plans and do not vote your shares or specify your voting instructions on your proxy card, the trustee of the employee benefit plans will vote your employee benefit plan shares in the same proportion as the shares for which voting instructions have been received. **To allow sufficient time for voting by the trustee, your voting instructions for employee benefit plan shares must be received by May 17, 2010.**

**Q: IS MY VOTE CONFIDENTIAL?**

**A:** Proxy cards, ballots and reports of Internet and telephone voting results that identify individual shareholders are mailed or returned directly to Broadridge Financial Services, Inc. ( *Broadridge* ), our vote tabulator, and handled in a manner that protects your privacy. Your vote will not be disclosed except:

as needed to permit Broadridge to tabulate and certify the vote;

as required by law;

if we determine that a genuine dispute exists as to the accuracy or authenticity of a proxy, ballot or vote; or

in the event of a proxy contest where all parties to the contest do not agree to follow our confidentiality policy.

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**Q: WHAT SHARES ARE COVERED BY MY INTERNET NOTICE OR PROXY CARD?**

**A:** You should have been provided an Internet Notice or proxy card for each account in which you own Common Shares either:

directly in your name as the shareholder of record, which includes shares purchased through any of our employee benefit plans; or

indirectly through a broker, bank or other holder of record.

**Q: WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE INTERNET NOTICE OR PROXY CARD?**

**A:** It means that you have multiple accounts in which you own Common Shares. **Please vote all shares in each account for which you receive an Internet Notice or proxy card to ensure that all your shares are voted.** However, for your convenience we recommend that you contact your broker, bank or our transfer agent to consolidate as many accounts as possible under a single name and address. Our transfer agent is The Bank of New York Mellon. All communications concerning shares you hold in your name, including address changes, name changes, requests to transfer shares and similar issues, can be handled by making a toll-free call to The Bank of New York Mellon at 1-800-659-0158. From outside the U.S. you may call The Bank of New York Mellon at 201-680-6685.

**Q: HOW CAN I CHANGE MY VOTE?**

**A:** You can revoke your proxy and change your vote by:

voting on the Internet or by telephone before 11:59 p.m. Eastern Daylight Time on the day before the Annual Meeting or, for employee benefit plan shares, the cut off date noted above (only your most recent Internet or telephone proxy is counted);

signing and submitting another proxy card with a later date at any time before the polls close at the Annual Meeting;

giving written notice of revocation of your proxy to our Corporate Secretary at 50 N. Laura Street, Suite 1900, Jacksonville, FL 32202; or

voting again in person before the polls close at the Annual Meeting.

**Q: HOW MANY VOTES ARE NEEDED TO HOLD THE MEETING?**

**A:** In order to conduct the Annual Meeting, a majority of the Common Shares outstanding as of the close of business on March 22, 2010 must be present, either in person or represented by proxy. All shares voted pursuant to properly submitted proxies and ballots, as well as abstentions, will be counted as present and entitled to vote for purposes of satisfying this requirement.

**Q: HOW MANY VOTES ARE NEEDED TO ELECT THE NOMINEES FOR DIRECTOR?**

**A:** The affirmative vote of a majority of the votes cast with respect to each nominee at the Annual Meeting is required to elect him or her as a director. For this proposal, a majority of the votes cast means that the number of votes **FOR** a nominee must exceed the number of votes **AGAINST** a nominee. Abstentions will therefore not affect the outcome of director elections.

Please note that as a result of a recent change in New York Stock Exchange ( NYSE ) rules, banks and brokers are no longer permitted to vote the uninstructed shares of their customers on a discretionary basis in

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the election of directors (referred to as broker non-votes ). As a result, if you hold your shares through an account with a bank or broker and you do not instruct your bank or broker how to vote your shares in the election of directors, no votes will be cast on your behalf in the election of directors. **Therefore, it is critical that you so instruct your bank or broker if you want your vote to be counted in the election of directors.**

**Q: HOW MANY VOTES ARE NEEDED TO APPROVE THE PROPOSAL TO AMEND THE COMPANY S AMENDED AND RESTATED ARTICLES OF INCORPORATION?**

**A:** The proposal to amend the Company s Amended and Restated Articles of Incorporation will be approved if the number of votes cast FOR the proposal exceeds the number of votes cast AGAINST . Abstentions will not count as votes cast and therefore will not affect the outcome. Because brokerage firms and banks are permitted to vote on amendments to Articles of Incorporation in the absence of instructions from their customers, we do not anticipate that there will be any broker non-votes with regard to the proposal.

**Q: HOW MANY VOTES ARE NEEDED TO APPROVE THE PROPOSAL TO AMEND THE RAYONIER INCENTIVE STOCK PLAN?**

**A:** The proposal to amend the Rayonier Incentive Stock Plan will be approved if the number of votes cast FOR the Plan exceeds the number of votes cast AGAINST it, and a majority of the Common Shares outstanding and entitled to vote at the meeting vote on this proposal. As a result, abstentions and broker non-votes will not affect the outcome provided a majority of outstanding shares vote on the proposal.

**Q: HOW MANY VOTES ARE NEEDED TO APPROVE THE RATIFICATION OF THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM?**

**A:** The proposal to ratify the appointment of the Company s independent registered public accounting firm will be approved if the number of votes cast FOR the proposal exceeds the number of votes cast AGAINST it. Abstentions will therefore not affect the outcome of the proposal. Because brokerage firms and banks are permitted to vote on the ratification of the Company s independent registered public accounting firm in the absence of instructions from their customers, we do not anticipate that there will be any broker non-votes with regard to the proposal.

**Q: WILL ANY OTHER MATTERS BE VOTED ON?**

**A:** We do not expect any other matters to be considered at the Annual Meeting. However, if a matter not listed on the Internet Notice or proxy card is legally and properly brought before the Annual Meeting, the proxies will vote on the matter in accordance with their judgment of what is in the best interest of Rayonier. Under the Company s bylaws, all shareholder proposals must have been received by December 7, 2009 to be considered for inclusion in this proxy statement, and all other shareholder proposals and director nominations must have been received between January 22 and February 20, 2010 to be otherwise properly brought before the Annual Meeting. We have not received any shareholder proposals or director nominations from shareholders that will be acted upon at the Annual Meeting.

**Q: WHO WILL COUNT THE VOTES?**

**A:** Representatives of Broadridge will count the votes, however submitted. A Company representative will act as inspector of elections.

**Q: HOW WILL I LEARN THE RESULTS OF THE VOTING?**

**A:** We will announce results of the voting on the four proposals at the Annual Meeting and on a Form 8-K to be filed with the SEC no later than May 26, 2010.



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**Q: WHO PAYS THE COST OF THIS PROXY SOLICITATION?**

**A:** The Company pays the costs of soliciting proxies and has retained Innisfree M & A Incorporated ( Innisfree ) to aid in the solicitation of proxies. For these services the Company will pay Innisfree a fee of \$17,500, plus expenses. The Company will also reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy materials to beneficial owners of the Common Shares. Additionally, directors, officers and employees may solicit proxies on behalf of the Company by mail, telephone, facsimile, email and personal solicitation. Directors, officers and employees will not be paid additional compensation for such services.

**Q: WHEN ARE SHAREHOLDER PROPOSALS FOR THE 2011 ANNUAL MEETING OF SHAREHOLDERS DUE?**

**A:** For a shareholder proposal (other than a director nomination) to be considered for inclusion in the Company's proxy statement for the 2011 Annual Meeting, the Company's Corporate Secretary must receive the written proposal at our principal executive offices no later than the close of business on December 6, 2010. Such proposals also must comply with SEC regulations under Rule 14a-8 regarding the inclusion of shareholder proposals in company-sponsored proxy materials. The submission of a proposal in accordance with these requirements does not guarantee that we will include the proposal in our Proxy Statement or on our proxy card. Proposals should be addressed to:

Corporate Secretary

Rayonier Inc.

50 N. Laura Street, Suite 1900

Jacksonville, FL 32202

For a shareholder proposal (including a director nomination) that is not intended to be included in the Company's proxy statement to be properly brought before the shareholders at the 2011 Annual Meeting, the shareholder must provide the information required by the Company's By-laws and give timely notice in accordance with such By-laws, which, in general, require that the notice be received by the Company's Secretary: (i) no earlier than the close of business on January 21, 2011; and (ii) no later than the close of business on February 20, 2011.

If the date of the 2011 Annual Meeting is moved more than 30 days before or more than 60 days after May 20, 2011, then notice of a shareholder proposal that is not intended to be included in the Company's Proxy Statement must be received no earlier than the close of business 120 days prior to the meeting and not later than the close of business on the later of: (a) 90 days prior to the meeting; and (b) 10 days after public announcement of the meeting date.

**We strongly encourage any shareholder interested in submitting a proposal to contact our Corporate Secretary at (904) 357-9100 prior to submission in order to discuss the proposal.**

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**ITEM 1 ELECTION OF DIRECTORS**

The Board of Directors is responsible for establishing overall corporate policy and for overseeing management and the ultimate performance of the Company. The Board reviews significant developments affecting the Company and acts on matters requiring Board approval. The Board held seven meetings during 2009.

Our Board currently consists of ten directors divided into three classes (I, II and III) serving staggered three-year terms. The terms of the Class I directors, C. David Brown, II, John E. Bush and Lee M. Thomas, will expire at the 2010 Annual Meeting. Messrs. Brown, Bush and Thomas have each been nominated for re-election for a term expiring in 2013.

Paul G. Kirk, Jr. was re-appointed as a Class II director by the Board on March 1, 2010 following his resignation on September 23, 2009 in order to serve as the interim U.S. Senator for Massachusetts. Mr. Kirk was elected by the shareholders as a Class II director at the 2008 Annual Meeting to a term expiring in 2011. It is the Board's recommendation that Mr. Kirk be allowed to serve the remainder of that term. As North Carolina law requires that any director appointed by the Board stand for election at the first Annual Meeting following his or her appointment, Mr. Kirk has been nominated for election as a Class II director for a one-year term expiring in 2011. Given that Mr. Kirk is now 72 years old, the Board approved an exception to the retirement age provision of our Corporate Governance Principles (which provides that a director may not stand for re-election after reaching age 72) in order to allow Mr. Kirk the opportunity to serve out the term he was originally elected for in 2008.

The Board has no reason to believe that any nominee will be unable to serve as a director. If, however, a nominee should be unable to serve at the time of the Annual Meeting, Common Shares properly represented by valid proxies will be voted in connection with the election of a substitute nominee recommended by the Board. Alternatively, the Board may allow the vacancy to remain unfilled until an appropriate candidate is located or may reduce the authorized number of directors to eliminate the unfilled seat.

If any incumbent nominee for director should fail to receive the required affirmative vote of the majority of the votes cast at the Annual Meeting, under North Carolina law the director would remain in office as a holdover director until his or her successor is elected and qualified or he or she resigns, retires or is otherwise removed. In such a situation, our Corporate Governance Principles require the director to tender his or her resignation to the Board. The Nominating and Corporate Governance Committee (the Nominating Committee) would then consider such resignation and make a recommendation to the Board as to whether to accept or reject the resignation. The Board is then required to make a determination and publicly disclose its decision and rationale within 90 days after receipt of the tendered resignation.

*Director Qualifications*

We believe the members of our Board of Directors have the proper mix of relevant experience and expertise given the Company's businesses and REIT structure, together with a level of demonstrated integrity, judgment, leadership and collegiality, to effectively advise and oversee management in executing our strategy. There are no specific minimum qualifications for director nominees other than the maximum permitted age. However, in identifying or evaluating potential nominees it is the policy of our Nominating Committee to seek individuals who have the knowledge, experience, diversity and personal and professional integrity, to be most effective, in conjunction with the other Board members, in collectively serving the long-term interests of our shareholders. These criteria for Board membership are periodically reevaluated by the Nominating Committee taking into account the Company's strategy, its geographic markets, regulatory environment and other relevant business factors, as well as changes in applicable laws or listing standards.

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A biography of each member of Rayonier's current Board of Directors, including the four nominees for election, is set forth below. Also included is a statement regarding each member's or nominee's individual qualifications for Board service.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR EACH OF THE FOUR NOMINEES NAMED BELOW FOR ELECTION TO THE BOARD OF DIRECTORS.**

*Information As To Nominees For Election To The Board Of Directors*

**Class I, Term Expires in 2010**

**C. DAVID BROWN, II, Age 58**

*Director Since 2006*

Mr. Brown is Chairman of Broad and Cassel, a law firm based in Orlando, Florida, a position he has held since 2000. Previously, he served as Managing Partner of the firm's Orlando office from 1990. He joined the firm in 1980. Prior to joining Broad and Cassel, Mr. Brown was an associate with Rowland, Bowen and Thomas, P.A. and served as a First Lieutenant in the United States Air Force. Mr. Brown also serves on the board of directors of CVS Caremark Corporation. He holds a bachelor's and juris doctorate degree from the University of Florida.

Over a nearly 30-year legal career, Mr. Brown has developed and demonstrated expertise in entitlement and land use issues, particularly in the State of Florida, as well as experience in structuring complex real estate transactions. We believe his experience and expertise facilitate our Board's discussions regarding our timberland and real estate assets, particularly in the Southeastern U.S.

**JOHN E. BUSH, Age 57**

*Director Since 2008*

Mr. Bush is President of Jeb Bush and Associates (a consulting firm based in Coral Gables, Florida). He served as the 43<sup>rd</sup> Governor of the State of Florida from January 1999 until January 2007. Prior to his election as Governor, Mr. Bush worked as a real estate executive and pursued other entrepreneurial ventures in Florida from 1981 to 1998, and served as Secretary of Commerce for the State of Florida from 1987 to 1988. He formed and serves as chairman of The Foundation for Florida's Future, a non-profit public policy organization and the Foundation for Excellence in Education, a non-profit charitable organization. Mr. Bush serves on the board of directors of Tenet Healthcare Corporation and formerly served on the Board of CNL Bancshares Inc. He holds a bachelor's degree in Latin American affairs from the University of Texas at Austin.

In addition to his invaluable political expertise in the State of Florida, Mr. Bush has experience in the real estate industry and brings a unique understanding of global public policy issues. Given his experience and expertise, we believe Mr. Bush brings a valuable perspective to our Board's consideration of the issues facing our land holdings and global performance fibers business.

**LEE M. THOMAS, Age 65**

*Director Since 2006*

Mr. Thomas joined Rayonier in 2006 as a Director, was named President and Chief Executive Officer on March 1, 2007 and became Chairman effective July 1, 2007. Prior to joining Rayonier, Mr. Thomas served as President of Georgia-Pacific Corporation (a tissue, pulp, paper, packaging, building products and related chemicals manufacturer) beginning in September 2002, and as its Chief Operating Officer, beginning in March 2003, until December 2005. Prior to becoming President and Chief Operating Officer, Mr. Thomas served in a number of management positions with Georgia-Pacific, including President-Building Products and Distribution, Executive Vice President-Consumer Products and Executive Vice President-Paper and Chemicals. Mr. Thomas previously served as chairman and chief executive officer of Law Companies Environmental Group Inc., as administrator of the U.S. Environmental Protection Agency, as executive deputy director of the Federal

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Emergency Management Agency and as director of the Division of Public Safety Programs-Office of the Governor of South Carolina. Mr. Thomas serves on the boards of directors of Airgas, Inc., Regal Entertainment Group and the Federal Reserve Bank of Atlanta. He also serves on the Board of the American Forest and Paper Association and served as its Chairman in 2009. Mr. Thomas holds a bachelor's degree from the University of the South and a M.Ed. from the University of South Carolina.

Mr. Thomas has broad forest products industry experience, both domestic and international, along with an extensive knowledge of the environmental regulatory process and general political framework. We believe his industry and governmental experience and expertise are uniquely well suited to management of our core businesses and leadership of our Board.

**Class II, Term Expires in 2011**

**PAUL G. KIRK, JR., Age 72**

*Director Since 1994*

Mr. Kirk is the Chairman, President and a director of Kirk & Associates, Inc. (a business advisory and consulting firm). He served as interim United States Senator for Massachusetts from September 2009 until February 2010, during which time he stepped down from the Rayonier Board. Prior to his appointment to the United States Senate, Mr. Kirk was affiliated with the law firm of Sullivan & Worcester where he was a partner from 1977 to 1992. He also served as Chairman of the Democratic National Committee from 1985 to 1989, was a founding Co-Chairman of the Commission on Presidential Debates, a Trustee of St. Sebastian's School, Chairman of the Board of Directors of the John F. Kennedy Library Foundation, and Chairman of the Visiting Committee on Harvard Athletics. He currently serves on the Board of The Hartford Financial Services Group, Inc. where he was a member from 1995 until September 2009. He formerly served on the Board of Cedar Shopping Centers, Inc. (a REIT) from 2005 until September 2009. Mr. Kirk is a graduate of Harvard College and Harvard Law School.

Mr. Kirk has extensive political and public policy experience at the national level, along with legal and corporate governance expertise and an understanding of public company board processes. We believe this unique experience and skill set benefit our Board's discussions of the many public policy issues impacting our businesses and strategy.

*Information As To Other Directors*

**Class II, Terms Expire in 2011**

**JAMES H. HANCE, JR., Age 65**

*Director Since 2004*

Mr. Hance is the retired Vice Chairman of the Board of Bank of America Corporation (a financial institution providing a full range of banking, investing, asset management and other financial and risk-management products and services), a position he held from 1993 until his retirement in January 2005. He served as Chief Financial Officer from 1988 until April 2004. Mr. Hance joined NCNB Corporation, predecessor to NationsBank and Bank of America, in 1987 as Executive Vice President and Chief Accounting Officer. He also serves as a director of Cousins Properties Incorporated, Duke Energy Corporation, Morgan Stanley and as Non-Executive Chairman of Sprint Nextel Corporation. In addition, Mr. Hance serves as a Senior Advisor to the Carlyle Group and formerly served on the Board of EnPro Industries, Inc. from May 2002 to February 2007. Mr. Hance is a graduate of Westminster College and holds an MBA from Washington University.

Mr. Hance possesses significant financial and accounting expertise, with experience in both domestic and international financings and transactions, along with substantial public company board experience. Given his experience and expertise, we believe Mr. Hance strongly contributes to our Board's understanding and oversight of the Company's financial performance, reporting and controls, as well as consideration of potential acquisitions.

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**DAVID W. OSKIN, Age 67**

*Director Since 2009*

Mr. Oskin is President of Four Winds Ventures, LLC (a private investment and advisory company). He was the Executive Vice President of International Paper Company (a paper, packaging and forest products company) from 1996 to 2003. Previously Mr. Oskin was Chief Executive Officer of Carter Holt Harvey Limited (a New Zealand based forest products company) from 1992 to 1996 and Senior Vice President of International Paper from 1975 to 1992. Mr. Oskin is a director of Verso Paper Corp., Pacific Millennium Corporation, Samling Global Limited, and Big Earth Publishing LLC, and serves as Chairman Emeritus of the Board of Trustees of Widener University. He formerly served on the Board of Goodman Global, Inc. from April 2006 to February 2008. Mr. Oskin holds bachelor and doctoral degrees from Widener University.

Mr. Oskin has long and extensive experience in the global forest products industry, having managed both manufacturing and timber operations, and also brings global public company board experience to Rayonier. We believe this industry experience is particularly well suited to assisting the Board in understanding the key drivers of our timber and performance fibers businesses.

**CARL S. SLOANE, Age 73**

*Director Since 1997*

Mr. Sloane served as Co-Chairman of AlixPartners Holdings and Questor Partners Holdings (providers of services and capital to underperforming and distressed companies) from June 2005 until October 2006. He is also Professor Emeritus, Harvard University Graduate School of Business Administration, and a Trustee of Beth Israel Deaconess Medical Center, a Harvard affiliated teaching hospital. Mr. Sloane was the Ernest L. Arbuckle Professor of Business Administration at Harvard from 1991 until his retirement in 2000. Prior to joining the Harvard faculty, he spent 30 years in management consulting, the last 20 with the firm he co-founded, Temple, Barker & Sloane, Inc., and its successor firm, Mercer Management Consulting, where he served as Chairman and Chief Executive. Mr. Sloane is also Chairman (non-executive) of Brink's Home Security Holdings, Inc. and formerly served on the Board of The Brink's Company from 1998 to September 2008. He is a graduate of Harvard College and the Harvard University Graduate School of Business Administration.

With 30 years experience in management consulting before entering academia, Mr. Sloane has particular expertise in the areas of strategic planning and analysis, and is familiar with corporate governance and public company board processes. We believe his experience and expertise enhance the Board's ongoing evaluation and oversight of the Company's short- and long-term strategies.

**Class III, Terms Expire in 2012**

**RICHARD D. KINCAID, Age 48**

*Director Since 2004*

Mr. Kincaid is the President and Founder of the BeCause Foundation (a non-profit corporation that heightens awareness about a number of complex social problems and promotes change through the power of film). He was the President, Chief Executive Officer and a trustee of Equity Office Properties Trust (an owner and manager of office buildings and, at the time, the largest U.S. real estate investment trust) until March 2007. He became President in November 2002 and Chief Executive Officer in April 2003. Mr. Kincaid joined Equity Office Properties Trust as Senior Vice President in 1996, was named Chief Financial Officer in 1997 and Executive Vice President and Chief Operating Officer in 2001. He previously served as Senior Vice President and Chief Financial Officer of Equity Office Holdings, L.L.C. (a predecessor of Equity Office Properties Trust), and was Senior Vice President of Equity Group Investments, Inc. (a private investment company). Mr. Kincaid serves as a director of Vail Resorts, Inc. and Strategic Hotels & Resorts, Inc. He is a graduate of Wichita State University and holds an MBA from the University of Texas.

Mr. Kincaid has significant financial expertise together with broad experience in the real estate industry and a deep understanding of the structural and strategic implications of REIT status. We believe his experience and expertise are particularly well suited to assist the Board in understanding the opportunities and challenges presented by our REIT structure, as well as overseeing management of our real estate business and general financing decisions.

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**V. LARKIN MARTIN, Age 46**

*Director Since 2007*

Ms. Martin is a Managing Agent of Martin Farm and Vice President of The Albemarle Corporation (family businesses with interests in agriculture and timberland), positions she has held since 1990. She also served as Chairman of the Board of Directors of the Federal Reserve Bank of Atlanta from January 2007 until December 2008 and is a director and officer of Servico, Inc. and Cottonseed, LLC (operations involved in cotton ginning, warehousing and whole cottonseed sales). Ms. Martin is Chairman of the Board of Directors of The Cotton Board and is a member of the President's Advisory Council of the University of Alabama in Birmingham. She holds a bachelor's degree from Vanderbilt University.

Ms. Martin has direct operating experience in the land-based businesses of agriculture and timberland management, particularly in the Southeastern U.S., together with an understanding of national and regional financial markets. We believe this skill set allows Ms. Martin to add substantial value to Board discussions regarding our forest resources business and overall economic forces and trends impacting the Company.

**RONALD TOWNSEND, Age 68**

*Director Since 2001*

Mr. Townsend is an independent communications consultant based in Jacksonville, Florida since 1997. He retired from Gannett Company (a diversified news and information company) in 1996 after serving 22 years in positions of increasing responsibility, most recently as President of Gannett Television Group. Mr. Townsend formerly served on the Boards of Alltel Corporation from 1992 to November 2007 and Winn-Dixie Stores, Inc. from 2000 to November 2006. Mr. Townsend attended The City University of New York, Bernard Baruch.

Mr. Townsend brings significant experience in media and public relations issues to the Board and is familiar with public company board processes. We believe his background and expertise, including his political and civic activities in the Jacksonville, Florida area, provide the Board with a unique perspective on high-profile issues facing our core businesses.

**CORPORATE GOVERNANCE**

*Corporate Governance Principles*

Our Board of Directors operates under a set of Corporate Governance Principles which includes, among other things, guidelines for determining director independence and consideration of potential director nominees. The Corporate Governance Principles can be found on the Company's website at [www.rayonier.com](http://www.rayonier.com). The Board, through its Nominating Committee, regularly reviews corporate governance developments and best practices and modifies its Corporate Governance Principles, committee charters and key practices as warranted.

*Director Independence*

The Company's Common Shares are listed on the NYSE. In accordance with NYSE rules, the Board makes affirmative determinations annually as to the independence of each director and nominee for election as a director. To assist in making such determinations, the Board has adopted a set of Director Independence Standards which conform to or are more exacting than the independence requirements set forth in the NYSE listing standards. Our Director Independence Standards are appended to the Company's Corporate Governance Principles, available at [www.rayonier.com](http://www.rayonier.com). In applying our Director Independence Standards, the Board considers all relevant facts and circumstances.

Based on our Director Independence Standards, the Board has determined that all persons who have served as directors of our Company at any time since January 1, 2009, other than Mr. Thomas, are independent. The Nominating Committee, on behalf of the Board of Directors, reviews any transactions undertaken or relationship

existing between the Company and other companies in connection with which any of our directors are affiliated.

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The Board determined that none of these transactions or relationships were material to the Company, the other companies or the subject directors.

*Committees Of The Board Of Director*