

## **RAYONIER INC.**

### **CHARTER OF THE FINANCE COMMITTEE**

**Amended February 18, 2005**

#### **I. PURPOSE**

The purpose of the Finance Committee (the “Committee”) shall be to oversee management and advise the Board of Directors concerning certain issues with respect to the capital structure and major financial policies of the Company and its subsidiaries, such as capital investments, debt financings and equity issuances, financial risk management, dividend and share repurchase plans, performance of the pension and savings plans, tax strategies and compliance with the various tests required for maintenance of the Company’s status as a real estate investment trust (“REIT”).

#### **II. MEMBERSHIP AND AUTHORITY**

The Committee shall consist of a minimum of three directors appointed annually by the Board of Directors. The Committee may designate and delegate duties to such standing or ad-hoc subcommittees as it deems necessary or desirable.

#### **III. ENGAGEMENT OF ADVISORS**

The Committee shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee may request that any director, officer or employee of the Company, or any other person whose advice and counsel are sought by the Committee, attend a Committee meeting or meet with any member of, or consultant to, the Committee.

#### **IV. GOALS AND RESPONSIBILITIES**

The Committee shall have the following specific goals and responsibilities, in addition to any other similar matters which may be referred to it from time to time by the Board of Directors:

1. To annually review the financial implications of the Company’s Strategic and Annual Budget/Outlook Plans.
2. To evaluate the Company’s dividend policy and recommend to the Board a dividend schedule and rate.

3. To review the Company's stock repurchase programs and activities and make appropriate recommendations to the Board regarding any such programs.
4. To monitor management's relationships with credit rating agencies and the ratings given to the Company.
5. To review and recommend to the Board the amounts, timing, types and terms of public and private stock and debt issues.
6. To review and report to the Board as to the financial implications of major corporate actions such as proposed mergers, acquisitions, divestitures and significant investments.
7. To evaluate the financial performance of major capital projects post-completion versus pre-authorization projections.
8. To review, at least annually, the Company's programs and practices for managing insurable risks including levels and costs of purchased insurance, including property and casualty and directors' and officers' liability insurance.
9. To oversee the policies, objectives, administration and investment performance of the Company's ERISA-qualified pension and savings plans, including oversight of the Company's ERISA Plan Committees and others acting as fiduciaries and/or administrators of such pension and savings plans.
10. To review and evaluate the Company's financial risk management policies, procedures and controls with respect to derivative transactions and instruments, including the Company's hedging plans and transactions with respect to foreign exchange, commodities and interest rates.
11. To oversee and monitor the Company's ongoing compliance with the various legal, accounting, regulatory and tax rules under applicable Internal Revenue Code regulations in order for the Company to qualify as a REIT, including periodic reporting to the full Board on the status of such compliance and establishment of such management reporting obligations as the Committee may deem necessary or appropriate to fulfill its oversight responsibilities.
12. To review and approve any off-balance sheet transactions and the formation of and transactions with any special purpose entities.
13. To review general matters impacting the Company's Treasury or Finance functions.
14. To approve Company policies and procedures with regard to the foregoing items.

- 15.** To perform an annual self-evaluation, including a review of the Committee's performance against applicable law and listing standards and the adequacy of this Charter, and to recommend any proposed changes to the Board.
- 16.** To perform such other functions within the scope of the foregoing as the Committee may deem appropriate to undertake from time to time.

**V. REPORTING**

The Committee shall report its actions and recommendations to the Board, including the results of the Committee's annual performance evaluation.