

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 28, 2015

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-36285



Incorporated in the State of Delaware

I.R.S. Employer Identification No. 46-4559529

1301 RIVERPLACE BOULEVARD, SUITE 2300
JACKSONVILLE, FL 32207
(Principal Executive Office)

Telephone Number: (904) 357-4600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES ☐ NO ☒

The registrant had 42,837,691 shares of common stock, \$.01 par value per share, outstanding as of April 24, 2015 .

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Part I. Financial Information
Item 1. Financial Statements

Rayonier Advanced Materials Inc.
Condensed Consolidated Statements of Income and Comprehensive Income
(Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended	
	March 28, 2015	March 31, 2014
Net Sales	\$ 221,348	\$ 243,499
Cost of Sales	184,476	188,719
Gross Margin	36,872	54,780
Selling and general expenses	12,296	8,226
Other operating expense, net (Note 8)	630	3,190
Operating Income	23,946	43,364
Interest expense	9,324	—
Interest and miscellaneous income, net	(29)	—
Income Before Income Taxes	14,651	43,364
Income tax expense (Note 9)	4,130	12,417
Net Income	\$ 10,521	\$ 30,947
Earnings Per Share of Common Stock (Note 7)		
Basic earnings per share	\$ 0.25	\$ 0.73
Diluted earnings per share	\$ 0.25	\$ 0.73
Dividends Declared Per Share	\$ 0.07	\$ —
Comprehensive Income:		
Net Income	\$ 10,521	\$ 30,947
Other Comprehensive Income		
Net gain from pension and postretirement plans, net of income tax expense of \$1,299 and \$477	2,308	830
Total other comprehensive income	2,308	830
Comprehensive Income	\$ 12,829	\$ 31,777

See Notes to Condensed Consolidated Financial Statements.

Rayonier Advanced Materials Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(Dollars in thousands)

	March 28, 2015	December 31, 2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 77,621	\$ 65,977
Accounts receivable, less allowance for doubtful accounts of \$151 and \$151	51,688	69,263
Inventory (Note 2)	131,937	140,209
Deferred tax assets	8,534	8,275
Prepaid and other current assets	31,936	36,267
Total current assets	301,716	319,991
Property, Plant and Equipment, Gross	2,026,725	2,010,644
Less — Accumulated Depreciation	(1,186,162)	(1,167,269)
Property, Plant and Equipment, Net	840,563	843,375
Deferred Tax Assets	78,666	78,547
Other Assets	60,905	61,967
Total Assets	\$ 1,281,850	\$ 1,303,880
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	\$ 55,243	\$ 64,697
Current maturities of long-term debt (Note 3)	8,207	8,400
Accrued income and other taxes	5,551	4,643
Accrued payroll and benefits	14,171	23,124
Accrued interest	10,228	2,684
Accrued customer incentives	9,169	12,743
Accrued professional services	1,875	755
Other current liabilities	6,793	7,158
Dividends payable	2,953	—
Current liabilities for disposed operations (Note 5)	8,366	7,241
Total current liabilities	122,556	131,445
Long-Term Debt (Note 3)	916,675	936,416
Non-Current Liabilities for Disposed Operations (Note 5)	147,365	149,488
Pension and Other Postretirement Benefits (Note 11)	140,450	141,338
Other Non-Current Liabilities	7,392	7,605
Commitments and Contingencies		
Stockholders' Deficit		
Preferred stock, 10,000,000 shares authorized at \$0.01 par value, 0 issued and outstanding as of March 28, 2015 and December 31, 2014	—	—
Common stock, 140,000,000 shares authorized at \$0.01 par value, 42,837,741 and 42,616,319 issued and outstanding, as of March 28, 2015 and December 31, 2014, respectively	428	426
Additional paid-in capital	62,057	62,082
Accumulated deficit	(13,937)	(21,476)
Accumulated other comprehensive loss	(101,136)	(103,444)
Total Stockholders' Deficit	(52,588)	(62,412)
Total Liabilities and Stockholders' Deficit	\$ 1,281,850	\$ 1,303,880

See Notes to Condensed Consolidated Financial Statements.

Rayonier Advanced Materials Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Dollars in thousands)

	Three Months Ended	
	March 28, 2015	March 31, 2014
Operating Activities		
Net income	\$ 10,521	\$ 30,947
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	21,752	20,649
Stock-based incentive compensation expense	2,669	1,686
Amortization of capitalized debt costs	793	—
Deferred income taxes	(4,216)	(804)
Amortization of losses and prior service costs from pension and postretirement plans	3,607	1,308
Loss from sale/disposal of property, plant and equipment	382	532
Other	80	(161)
Changes in operating assets and liabilities:		
Receivables	17,575	(9,011)
Inventories	8,272	3,020
Accounts payable	(3,988)	7,174
Accrued liabilities	(3,349)	2,354
All other operating activities	3,091	(2,941)
Expenditures for disposed operations	(1,013)	—
Cash Provided by Operating Activities	56,176	54,753
Investing Activities		
Capital expenditures	(24,540)	(21,715)
Other	—	508
Cash Used for Investing Activities	(24,540)	(21,207)
Financing Activities		
Repayment of debt	(20,000)	—
Proceeds from the issuance of common stock	8	—
Net payments to Rayonier	—	(33,546)
Cash Used for Financing Activities	(19,992)	(33,546)
Cash and Cash Equivalents		
Change in cash and cash equivalents	11,644	—
Balance, beginning of year	65,977	—
Balance, end of period	<u>\$ 77,621</u>	<u>\$ —</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period:		
Interest	\$ 1,990	\$ —
Income taxes	<u>\$ (307)</u>	<u>\$ —</u>
Non-cash investing and financing activities:		
Capital assets purchased on account	<u>\$ 11,170</u>	<u>\$ 15,390</u>

See Notes to Condensed Consolidated Financial Statements.

Rayonier Advanced Materials Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)
(Dollar amounts in thousands unless otherwise stated)

1. Basis of Presentation and New Accounting Pronouncements

Basis of Presentation

The unaudited condensed consolidated financial statements and notes thereto of Rayonier Advanced Materials Inc. (“Rayonier Advanced Materials” or the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, these financial statements and notes reflect all adjustments (all of which are normal recurring adjustments) necessary for a fair presentation of the results of operations, financial position and cash flows for the periods presented. These statements and notes should be read in conjunction with the financial statements and supplementary data included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014, as filed with the SEC.

On June 27, 2014, the Company was separated from its former parent, Rayonier Inc. (“Rayonier”) through the distribution to its stockholders of 42,176,565 shares of common stock (the “Separation”). For periods prior to the Separation, the financial information presented consists of the performance fibers segment of Rayonier and an allocable portion of its corporate costs (together, the “performance fibers business”). These financial statements have been presented as if the Company and performance fibers business had been combined for all prior periods presented. All intercompany transactions are eliminated. The statements of income for periods prior to June 27, 2014 include allocations of certain costs from Rayonier related to the operations of the Company. These corporate administrative costs were charged to the Company based on employee headcount and payroll costs. The combined statements of income also include expense allocations for certain corporate functions historically performed by Rayonier and not allocated to its operating segments. These allocations were based on revenues and specific identification of time and/or activities associated with the Company. Management believes the methodologies employed for the allocation of costs were reasonable in relation to the historical reporting of Rayonier, but may not necessarily be indicative of costs had the Company operated on a stand-alone basis during the periods prior to the Separation, nor what the costs may be in the future. The results of operations for periods prior to June 27, 2014 are not necessarily indicative or predictive of the results to be expected for the post-spin Company.

New or Recently Adopted Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. The update requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability. It is effective for fiscal years beginning after December 15, 2015 with early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

Subsequent Events

Events and transactions subsequent to the balance sheet date have been evaluated for potential recognition and disclosure through May 1, 2015, the date these financial statements were available to be issued. No subsequent events warranting disclosure were identified.

Rayonier Advanced Materials Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)
(Dollar amounts in thousands unless otherwise stated)

2. Inventory

As of March 28, 2015 and December 31, 2014 , the Company's inventory included the following:

	March 28, 2015	December 31, 2014
Finished goods	\$ 112,918	\$ 120,221
Work-in-progress	3,428	2,418
Raw materials	13,150	14,670
Manufacturing and maintenance supplies	2,441	2,900
Total inventory	\$ 131,937	\$ 140,209

3. Debt

The Company's debt consisted of the following:

	March 28, 2015	December 31, 2014
Term A-1 Loan Facility borrowings maturing through 2019 at a variable interest rate of 1.67% (a)	\$ 87,736	\$ 106,973
Term A-2 Loan Facility borrowings maturing through 2021 at a variable interest rate of 1.25% (b)	287,146	287,843
Senior Notes due 2024 at a fixed interest rate of 5.50%	550,000	550,000
Total debt	924,882	944,816
Less: Current maturities of long-term debt	(8,207)	(8,400)
Long-term debt	\$ 916,675	\$ 936,416

(a) The Term A-1 Loan includes an unamortized issue discount of approximately \$0.2 million at March 28, 2015 . Upon maturity the liability will be \$88.0 million .

(b) The Term A-2 Loan includes an unamortized issue discount of approximately \$0.7 million at March 28, 2015 . Upon maturity the liability will be \$287.8 million .

During the first quarter of 2015 , the Company made \$20.0 million in principal debt repayments on the Term Loan Facilities. There were no other significant changes to the Company's outstanding debt as reported in Note 6 — *Debt* of the Company's 2014 Annual Report on Form 10-K.

Principal payments due during the next five years and thereafter are as follows:

Remaining 2015	\$ 6,300
2016	8,400
2017	9,775
2018	11,150
2019	66,125
Thereafter	824,050

Total principal payments	\$ 925,800
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Rayonier Advanced Materials Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)
(Dollar amounts in thousands unless otherwise stated)

4. Fair Value Measurements

The following table presents the carrying amount, estimated fair values and categorization under the fair value hierarchy for financial instruments held by the Company at March 28, 2015 and December 31, 2014, using market information and what management believes to be appropriate valuation methodologies:

<u>Asset (liability)</u>	March 28, 2015			December 31, 2014		
	Carrying Amount	Fair Value		Carrying Amount	Fair Value	
		Level 1	Level 2		Level 1	Level 2
Cash and cash equivalents	\$ 77,621	\$ 77,621	\$ —	\$ 65,977	\$ 65,977	\$ —
Current maturities of long-term debt	(8,207)	—	(8,400)	(8,400)	—	(8,400)
Fixed-rate long-term debt	(550,000)	—	(471,625)	(550,000)	—	(453,063)
Variable-rate long-term debt	(366,675)	—	(367,400)	(386,416)	—	(387,400)

The Company uses the following methods and assumptions in estimating the fair value of its financial instruments:

Cash and cash equivalents — The carrying amount is equal to fair market value.

Debt — The fair value of fixed rate debt is based upon quoted market prices for debt with similar terms and maturities. The variable rate debt adjusts with changes in the market rate, therefore the carrying value approximates fair value.

5. Liabilities for Disposed Operations

An analysis of the liabilities for disposed operations follows:

	March 28, 2015
Balance, beginning of period	\$ 156,729
Expenditures charged to liabilities	(1,013)
Increase to liabilities	15
Balance, end of period	155,731
Less: Current portion	(8,366)
Non-current portion	\$ 147,365

In addition to the estimated liabilities, the Company is subject to the risk of reasonably possible additional liabilities in excess of the established reserves due to potential changes in circumstances and future events, including, without limitation, changes to current laws and regulations; changes in governmental agency personnel, direction, philosophy or enforcement policies; developments in remediation technologies; increases in the cost of remediation, operation, maintenance and monitoring of its disposed operations sites; changes in the volume, nature or extent of contamination to be remediated or monitoring to be undertaken; the outcome of negotiations with governmental agencies or non-governmental parties; and changes in accounting rules or interpretations. Based on information available as of March 28, 2015, the Company estimates this exposure could range up to approximately \$64.1 million, although no assurances can be given that this amount will not be exceeded given the factors described above. These potential additional costs are attributable to several of the above sites and other applicable liabilities. Further, this estimate excludes reasonably possible liabilities which are not currently estimable primarily due to the factors discussed above.

Subject to the previous paragraph, the Company believes established liabilities are sufficient for probable costs expected to be incurred over the next 20 years with respect to its disposed operations. However, no assurances are given they will be sufficient for the reasons described above, and additional liabilities could have a material adverse effect on the Company's financial position, results of operations and cash flows.

Rayonier Advanced Materials Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)
(Dollar amounts in thousands unless otherwise stated)

6. Accumulated Other Comprehensive Loss

Accumulated Other Comprehensive Loss was comprised of the following:

	Three Months Ended	
	March 28, 2015	March 31, 2014
Unrecognized components of employee benefit plans, net of tax		
Balance, beginning of period	\$ (103,444)	\$ (39,699)
Amounts reclassified from accumulated other comprehensive loss (a)	2,308	830
Balance, end of period	<u>\$ (101,136)</u>	<u>\$ (38,869)</u>

- (a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost. See Note 11 — *Employee Benefit Plans* for additional information.

7. Earnings Per Share of Common Stock

On June 27, 2014, 42,176,565 shares of our common stock were distributed to Rayonier shareholders in conjunction with the Separation. For comparative purposes, and to provide a more meaningful calculation of weighted-average shares outstanding, we have assumed this amount to be outstanding as of the beginning of each period prior to the Distribution presented in the calculation of weighted-average shares. Prior to separation, there were no dilutive shares since the Company had no outstanding equity awards.

The following table provides details of the calculations of basic and diluted earnings per share:

	Three Months Ended	
	March 28, 2015	March 31, 2014
Net income	<u>\$ 10,521</u>	<u>\$ 30,947</u>
Shares used for determining basic earnings per share of common stock	42,186,130	42,176,565
Dilutive effect of:		
Stock options	4,948	—
Performance and restricted shares	13,696	—
Shares used for determining diluted earnings per share of common stock	<u>42,204,774</u>	<u>42,176,565</u>
Basic earnings per share (not in thousands)	<u>\$ 0.25</u>	<u>\$ 0.73</u>
Diluted earnings per share (not in thousands)	<u>\$ 0.25</u>	<u>\$ 0.73</u>

Anti-dilutive shares excluded from the computation of diluted earnings per share:

	Three Months Ended	
	March 28, 2015	March 31, 2014
Stock options	384,112	—
Restricted stock	351,995	—
Total	<u>736,107</u>	<u>—</u>

Rayonier Advanced Materials Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)
(Dollar amounts in thousands unless otherwise stated)

8. Other Operating Expense, Net

Other operating expense, net was comprised of the following:

	Three Months Ended	
	March 28, 2015	March 31, 2014
Loss on sale or disposal of property, plant and equipment	\$ 382	\$ 532
One-time separation and legal costs	—	2,766
Miscellaneous expense (income)	248	(108)
Total	<u>\$ 630</u>	<u>\$ 3,190</u>

9. Income Taxes

The provision for income taxes for periods prior to June 27, 2014, the date of the Separation from Rayonier, has been computed as if the Company were a stand-alone company.

The Company's effective tax rate for the first quarter of 2015 was 28.2 percent compared with 28.6 percent for the corresponding period of 2014 . For both periods, the effective tax rate differs from the federal statutory rate of 35.0 percent primarily due to the manufacturing tax deduction and state tax credits.

10. Incentive Stock Plans

The Company's total stock based compensation cost, including allocated amounts, for the three months ended March 28, 2015 and March 31, 2014 was \$2.7 million and \$1.7 million , respectively.

During the first quarter of 2015, performance shares granted in 2012 were cancelled as the Company did not meet the performance criteria for payout on these shares. The cancellation of these shares resulted in an excess tax deficit of \$2.5 million .

The Company also made new grants of restricted and performance shares to certain employees during the first quarter of 2015. The 2015 restricted shares vest over three to four years. The 2015 performance share awards are measured against an internal return on invested capital target and, depending on performance against the target, the awards will payout between 0 and 200 percent of target. The total number of performance shares earned will be adjusted up or down 25 percent , for certain participants, based on stock price performance relative to a peer group over the term of the plan, which would result in a final payout range of 0 to 250 percent .

Rayonier Advanced Materials Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)
(Dollar amounts in thousands unless otherwise stated)

The following table summarizes the activity on the Company's incentive stock awards as of March 28, 2015 :

	Stock Options		Restricted Stock		Performance Shares		Performance-Based Restricted Stock	
	Options	Weighted Average Exercise Price	Awards	Weighted Average Grant Date Fair Value	Awards	Weighted Average Grant Date Fair Value	Awards	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2014	466,015	\$ 31.73	145,085	\$ 41.66	47,977	\$ 42.27	143,369	\$ 40.52
Granted	—	—	218,371	22.47	214,403	17.51	—	—
Forfeited	(4,580)	38.31	—	—	—	—	—	—
Exercised or settled	(460)	17.34	—	—	—	—	—	—
Expired or cancelled	(2,403)	24.95	—	—	(47,977)	42.27	—	—
Outstanding at March 28, 2015	<u>458,572</u>	<u>\$ 31.71</u>	<u>363,456</u>	<u>\$ 30.13</u>	<u>214,403</u>	<u>\$ 17.51</u>	<u>143,369</u>	<u>\$ 40.52</u>

On March 23, 2015, the Company converted the \$4.0 million fixed value retention award granted to the Chief Executive Officer in connection with the Company's separation from Rayonier from a stock settled award to a cash settled award. As such, the award will have no dilutive effect on the Company's stock. All other significant terms remain unchanged.

11. Employee Benefit Plans

The Company has a qualified non-contributory defined benefit pension plan covering a significant majority of its employees and an unfunded plan that provides benefits in excess of amounts allowable in the qualified plans under current tax law. Both the qualified plan and the unfunded excess plan are closed to new participants. Employee benefit plan liabilities are calculated using actuarial estimates and management assumptions. These estimates are based on historical information, along with certain assumptions about future events. Changes in assumptions, as well as changes in actual experience, could cause the estimates to change.

The net pension and postretirement benefit costs that have been recorded are shown in the following tables:

Components of Net Periodic Benefit Cost	Pension		Postretirement	
	Three Months Ended		Three Months Ended	
	March 28, 2015	March 31, 2014	March 28, 2015	March 31, 2014
Service cost	\$ 1,494	\$ 553	\$ 205	\$ 157
Interest cost	3,807	1,949	231	153
Expected return on plan assets	(5,809)	(3,314)	—	—
Amortization of prior service cost	188	292	4	4
Amortization of losses	3,358	1,023	127	123
Amortization of negative plan amendment	—	—	(70)	(134)
Total net periodic benefit cost	<u>\$ 3,038</u>	<u>\$ 503</u>	<u>\$ 497</u>	<u>\$ 303</u>

The Company does not have any mandatory pension contribution requirements and does not expect to make any discretionary contributions in 2015 .

Rayonier Advanced Materials Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)
(Dollar amounts in thousands unless otherwise stated)

12. Contingencies

The Company is engaged in various legal actions, including certain proceedings, and has been named as a defendant in various other lawsuits and claims arising in the normal course of business. While the Company has procured reasonable and customary insurance covering risks normally occurring in connection with its businesses, it has in certain cases retained some risk through the operation of self-insurance, primarily in the areas of workers' compensation, property insurance and general liability. These other lawsuits and claims, either individually or in the aggregate, are not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

13. Guarantees

The Company provides financial guarantees as required by creditors, insurance programs and various governmental agencies. As of March 28, 2015, the following financial guarantees were outstanding:

<u>Financial Commitments</u>	Maximum Potential Payment
Standby letters of credit (a)	\$ 27,889
Surety bonds (b)	55,652
Total financial commitments	<u>\$ 83,541</u>

- (a) The letters of credit primarily provide credit support for surety bonds issued to comply with financial assurance requirements relating to environmental remediation of disposed sites. The letters of credit will expire during 2015 and will be renewed as required.
- (b) Rayonier Advanced Materials purchases surety bonds primarily to comply with financial assurance requirements relating to environmental remediation and post closure care and to provide collateral for the Company's workers' compensation program. These surety bonds expire at various dates during 2015 and 2019. They are expected to be renewed annually as required.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

When we refer to "we," "us," "our" or "the Company," we mean Rayonier Advanced Materials Inc. and its consolidated subsidiaries. References herein to "Notes to Financial Statements" refer to the Notes to the Condensed Consolidated Financial Statements of Rayonier Advanced Materials Inc. included in Item 1 of this Report.

The Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity, and certain other factors which may affect future results. Our MD&A should be read in conjunction with the 2014 Annual Report on Form 10-K and information contained in our subsequent Form 8-K's and other reports to the U.S. Securities and Exchange Commission (the "SEC").

Note About Forward-Looking Statements

Certain statements in this document regarding anticipated financial, business, legal or other outcomes, including business and market conditions, outlook and other similar statements relating to Rayonier Advanced Materials' future events, developments or financial or operational performance or results, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities

Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are identified by the use of words such as “may,” “will,” “should,” “expect,” “estimate,” “believe,” “intend,” “anticipate” and other similar language. However, the absence of these or similar words or expressions does not mean a statement is not forward-looking. While we believe these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements. Although we believe the expectations

reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance these expectations will be attained and it is possible actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. The factors contained in Item 1A — *Risk Factors* in our Annual Report on Form 10-K, among others, could cause actual results or events to differ materially from the Company’s historical experience and those expressed in forward-looking statements made in this document.

Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward-looking statements except as required by law. You are advised, however, to review any further disclosures we have made or may make in our filings and other submissions to the SEC, including those on Forms 10-Q, 10-K, 8-K and other reports.

Business

Rayonier Advanced Materials is a leading manufacturer of high-value cellulose products with production facilities in Jesup, Georgia and Fernandina Beach, Florida, which have a combined annual cellulose specialties production capacity of approximately 675,000 metric tons. These products are sold throughout the world to companies for use in various industrial applications and to produce a wide variety of products, including cigarette filters, foods, pharmaceuticals, textiles and electronics.

The Company’s primary products consist of the following:

Cellulose specialties are primarily used in dissolving chemical applications that require a highly purified form of cellulose. The Company concentrates on producing the purest, most technologically-demanding forms of cellulose specialties products, such as cellulose acetate and high purity cellulose ethers, and is a leading supplier of these products.

Commodity products are used for viscose and absorbent materials applications. Commodity viscose is a raw material required for the manufacture of viscose staple fibers which are used in woven applications such as textiles for clothing and other fabrics, and in non-woven applications such as baby wipes, cosmetic and personal wipes, industrial wipes and mattress ticking. Absorbent materials, typically referred to as fluff fibers, are used as an absorbent medium in products such as disposable baby diapers, feminine hygiene products, incontinence pads, convalescent bed pads, industrial towels and wipes and non-woven fabrics.

Basis of Presentation

On June 27, 2014, the Company was separated from its former parent, Rayonier Inc. (“Rayonier”) through the distribution to its stockholders of 42,176,565 shares of common stock (the “Separation”). Prior to the Separation, financial information presented consists of the performance fibers segment of Rayonier and an allocable portion of its corporate costs (together, the “performance fibers business”). These financial statements have been presented as if the Company and performance fibers business had been combined for all prior periods presented. All intercompany transactions are eliminated. The statements of income for periods prior to June 27, 2014 include allocations of certain costs from Rayonier related to the operations of the Company. These corporate administrative costs were charged to the Company based on employee headcount and payroll costs. The combined statements of income also include expense allocations for certain corporate functions historically performed by Rayonier and not allocated to its operating segments. These allocations were based on revenues and specific identification of time and/or activities associated with the Company. Management believes the methodologies employed for the allocation of costs were reasonable in relation to the historical reporting of Rayonier, but may not necessarily be indicative of costs had the Company operated on a stand-alone basis during the periods prior to the Separation, nor what the costs may be in the future. The results of operations for periods prior to June 27, 2014 are not necessarily indicative or predictive of the results to be expected for the post-spin Company.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements requires us to make estimates, assumptions and judgments that affect our assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. We base these estimates and assumptions on historical data and trends, current fact patterns, expectations and other sources of information we believe are reasonable. Actual results may differ from these estimates. For a full description of our critical accounting policies, see Item 7 — *Management’s Discussion and Analysis of Financial Condition and Results of Operations* in our 2014 Annual Report on Form 10-K.

Results of Operations

Financial Information (in millions)	Three Months Ended	
	March 28, 2015	March 31, 2014
Net Sales		
Cellulose specialties	\$ 179	\$ 206
Commodity products and other	42	37
Total Net Sales	221	243
Cost of Sales	184	189
Gross Margin	37	54
Selling and general expenses	12	8
Other operating expense, net	1	3
Operating Income	24	43
Interest, net	9	—
Income Before Income Taxes	15	43
Income Tax Expense	4	12
Net Income	\$ 11	\$ 31
Other Data		
Sales Prices (\$ per metric ton)		
Cellulose specialties	\$ 1,667	\$ 1,823
Commodity products	686	689
Sales Volumes (thousands of metric tons)		
Cellulose specialties	107	113
Commodity products	58	50
Gross Margin %	16.7%	22.2%
Operating Margin %	10.9%	17.7%
Effective Tax Rate %	28.2%	28.6%

Sales (in millions)	Changes Attributable to:			
Three Months Ended	March 31, 2014	Price	Volume/Mix	March 28, 2015
Cellulose specialties	\$ 206	\$ (17)	\$ (10)	\$ 179
Commodity products and other	37	—	5	42
Total Sales	\$ 243	\$ (17)	\$ (5)	\$ 221

For the three months ended March 28, 2015, total sales decreased \$22 million, or approximately 9 percent, primarily due to lower cellulose specialties prices as a result of the annual price negotiations and lower cellulose specialties volumes due to the timing of sales.

Operating Income (in millions)

<u>Operating Income (in millions)</u>		<u>Changes Attributable to (a):</u>			
<u>Three Months Ended</u>	<u>March 31, 2014</u>	<u>Price</u>	<u>Volume / Sales Mix</u>	<u>Cost</u>	<u>March 28, 2015</u>
Operating Income	\$ 43	\$ (17)	\$ —	\$ (2)	\$ 24
Operating Margin %	17.7%	(6.2)%	0.3%	(0.9)%	10.9%

(a) Computed based on contribution margin.

For the three month period ending March 28, 2015 , operating income and margin percentage declined \$19 million and 7 percentage points versus prior year. The decline is primarily due to lower cellulose specialties prices as a result of the annual price negotiations. Lower cellulose specialties volumes were offset by increased commodity volumes and improved commodity profitability. Operating income was negatively impacted by higher selling and general expenses as a result of being an independent, public company and higher professional fees incurred during the period.

Interest Expense/Income and Income Tax Expense

Interest expense was \$ 9 million in the first quarter of 2015 due to debt issued by the Company in the second quarter of 2014. See Note 3 — *Debt* for additional information.

Our effective tax rate for the first quarter of 2015 was 28.2 percent , compared with 28.6 percent for the corresponding period of 2014 . For both periods, the effective tax rate differs from the federal statutory rate of 35 percent primarily due to the manufacturing tax deduction and state tax credits. See Note 9 — *Income Taxes* .

Liquidity and Capital Resources

Our operations have historically produced stable cash flows, which is our primary source of liquidity and capital resources. We believe our cash flows and availability under our revolving credit facility, as well as our ability to access the capital markets, if necessary or desirable, will be adequate to fund our operations and anticipated long-term funding requirements, including capital expenditures, dividend payments, defined benefit plan contributions and repayment of debt maturities.

Our debt agreements contain various customary covenants. At March 28, 2015 , we were in compliance with all covenants. Our debt's non-guarantors had no assets, revenues, covenant EBITDA or liabilities.

A summary of liquidity and capital resources is shown below (in millions of dollars):

	March 28, 2015	December 31, 2014
Cash and cash equivalents (a)	\$ 78	\$ 66
Availability under the Revolving Credit Facility (b)	222	222
Total debt (c)	925	945
Stockholders' deficit	(53)	(62)
Total capitalization (total debt plus equity)	872	883
Debt to capital ratio	106%	107%

(a) Cash and cash equivalents consisted of cash, money market deposits, and time deposits with original maturities of 90 days or less.

(b) Availability under the revolving credit facility is reduced by stand-by letters of credit of approximately \$28 million.

(c) See Note 3 — *Debt* for additional information.

Cash Flows (in millions of dollars)

The following table summarizes our cash flows from operating, investing and financing activities for the three months ended:

<u>Cash provided by (used for):</u>	March 28, 2015	March 31, 2014
Operating activities	\$ 56	\$ 55
Investing activities	(24)	(21)
Financing activities	(20)	(34)

Cash provided by operating activities increased \$1 million primarily due to a decrease in working capital offset by lower operating results.

Cash used for investing activities increased \$3 million due to higher capital expenditures.

Cash used for financing activities decreased \$14 million due to net payments to the Company's former parent, Rayonier. The decrease is partially offset by \$20 million in debt repayments.

Performance and Liquidity Indicators

The discussion below is presented to enhance the reader's understanding of our operating performance, liquidity, ability to generate cash and satisfy rating agency and creditor requirements. This information includes the following measures of financial results: Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"), Pro Forma EBITDA and Adjusted Free Cash Flow. These measures are not defined by U.S. Generally Accepted Accounting Principles ("GAAP") and the discussion of EBITDA and Adjusted Free Cash Flow is not intended to conflict with or change any of the GAAP disclosures described above. Management considers these measures, in addition to operating income, to be important to estimate the enterprise and stockholder values of the Company, and for making strategic and operating decisions. In addition, analysts, investors and creditors use these measures when analyzing our operating performance, financial condition and cash generating ability. Management uses EBITDA and Pro Forma EBITDA as performance measures and Adjusted Free Cash Flow as a liquidity measure.

EBITDA is defined by SEC rule. Pro Forma EBITDA is defined by the Company as EBITDA before one-time separation and legal costs. EBITDA and Pro Forma EBITDA are not necessarily indicative of results that may be generated in future periods. Below is a reconciliation of Net Income to EBITDA for the respective periods (in millions of dollars):

<u>Net Income to EBITDA Reconciliation</u>	Three Months Ended	
	March 28, 2015	March 31, 2014
Net Income	\$ 11	\$ 31
Interest, net	9	—
Income tax expense	4	12
Depreciation and amortization	22	21
EBITDA	46	64
One-time separation and legal costs	—	3
Pro Forma EBITDA	46	67

EBITDA and Pro Forma EBITDA for the three months ended March 28, 2015 decreased from the prior year periods primarily due to lower operating results.

Adjusted Free Cash Flow is defined as cash provided by operating activities adjusted for capital expenditures excluding strategic capital. Adjusted Free Cash Flow, as defined by the Company, is a non-GAAP measure of cash generated during a period which is available for dividend distribution, debt reduction, strategic acquisitions and repurchase of the Company's common stock. Adjusted Free Cash Flow for the current

quarter is not necessarily indicative of the Adjusted Free Cash Flow that may be generated in future periods.

Below is a reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow for the respective periods (in millions of dollars):

Cash Flow from Operations to Adjusted Free Cash Flow Reconciliation	Three Months Ended	
	March 28, 2015	March 31, 2014
Cash flow from operations	\$ 56	\$ 55
Capital expenditures (a)	(24)	(22)
Adjusted Free Cash Flow	<u>\$ 32</u>	<u>\$ 33</u>
Cash used for investing activities	<u>\$ (24)</u>	<u>\$ (21)</u>
Cash used for financing activities	<u>\$ (20)</u>	<u>\$ (34)</u>

(a) Capital expenditures exclude strategic capital expenditures which are deemed discretionary by management. Strategic capital totaled \$0 million for the three months ended March 28, 2015 . Strategic capital totaled \$1 million for a land purchase near the Jesup plant for the three months ended March 31, 2014 .

Adjusted Free Cash Flow increased slightly over the prior year due to a decrease in working capital offset by lower operating results and higher capital expenditures.

Contractual Financial Obligations and Off-Balance Sheet Arrangements

We have no material changes to the Contractual Financial Obligations table as presented in Item 7 — *Management's Discussion and Analysis of Financial Condition and Results of Operations* of our 2014 Annual Report on Form 10-K. See Note 13 — *Guarantees* for details on our letters of credit and surety bonds as of March 28, 2015 .

Outlook

Despite the expected lower cellulose specialties volumes in the first quarter, we are off to a good start in 2015 driven by our cost reduction and continuous improvement initiatives. Based on our performance to date, we believe we will realize our goal of run-rate savings approaching \$40 million and capture a significant portion of these savings in 2015. This progress, coupled with favorable input costs, specifically for certain chemicals and energy, allows us to raise our EBITDA guidance for 2015 to \$210 to \$225 million.

Capital expenditures in 2015 are expected to range between \$75 million and \$80 million; of that, \$15 to \$20 million is for the boiler MACT with the remainder being allocated to maintenance and high-return cost reduction projects. We expect our 2015 effective tax rate to be between 33 and 34 percent.

Our full year 2015 performance is and will be subject to a number of risk variables and uncertainties, including those discussed under Item 2 — *Management's Discussion and Analysis of Financial Condition and Results of Operations* — *Note About Forward Looking Statements* of this Form 10-Q and Item 1A — *Risk Factors* of our Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market and Other Economic Risks

We are exposed to various market risks, primarily changes in interest rates and commodity prices. Our objective is to minimize the economic impact of these market risks. We may use derivatives in accordance with policies and procedures approved by the Audit Committee of our Board of Directors. Any such derivatives would be managed by a senior executive committee whose responsibilities include initiating, managing and monitoring resulting exposures. We do not enter into financial instruments for trading or speculative purposes. At March 28, 2015 , we had no derivatives outstanding.

Cyclical pricing of commodity market paper pulp is one of the factors which influences prices in the absorbent materials and commodity viscose product lines. Our cellulose specialty products' prices are based on market supply and demand and are not correlated to commodity paper pulp prices. In addition, a majority of our cellulose specialty products are under long-term volume contracts that extend through 2015 to 2017. The pricing provisions of these contracts are set in the fourth quarter in the year prior to the shipment.

As of March 28, 2015 we had \$367 million of long-term variable rate debt which is subject to interest rate risk. At this borrowing level, a hypothetical one-percentage point increase/decrease in interest rates would result in a corresponding increase/decrease of approximately \$4 million in interest payments and expense over a 12 month period. Our primary interest rate exposure on variable rate debt results from changes in LIBOR.

The fair market value of our long-term fixed interest rate debt is also subject to interest rate risk. However, we intend to hold most of our debt until maturity. The estimated fair value of our fixed-rate debt at March 28, 2015 was \$472 million compared to the \$550 million principal amount. We use quoted market prices to estimate the fair value of our fixed-rate debt. Generally, the fair market value of fixed-rate debt will increase as interest rates fall and decrease as interest rates rise. A hypothetical one-percentage point increase/decrease in prevailing interest rates at March 28, 2015 would result in a corresponding decrease/increase in the fair value of our fixed-rate debt of approximately \$32 million.

We may periodically enter into commodity forward contracts to fix some of our fuel oil and natural gas costs. Such forward contracts partially mitigate the risk of a change in margins resulting from an increase or decrease in these energy costs. At March 28, 2015, we had no fuel oil or natural gas forward contracts outstanding.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate disclosure controls and procedures. Disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")), are designed with the objective of ensuring that information required to be disclosed in reports filed under the Exchange Act, such as this quarterly report on Form 10-Q, is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Because of the inherent limitations in all control systems, no control evaluation can provide absolute assurance all control exceptions and instances of fraud have been prevented or detected on a timely basis. Even systems determined to be effective can provide only reasonable assurance their objectives are achieved.

Based on an evaluation of our disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q, our management, including the Chief Executive Officer and Chief Financial Officer, concluded the design and operation of the disclosure controls and procedures were effective as of March 28, 2015.

During the quarter ended March 28, 2015, based upon the evaluation required by paragraph (d) of SEC Rule 13a-15, there were no changes in our internal control over financial reporting that would materially affect or are reasonably likely to materially affect our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

We are engaged in various legal actions and have been named as a defendant in various other lawsuits and claims arising in the normal course of business. While we have procured reasonable and customary insurance covering risks normally occurring in connection with our businesses, we have in certain cases retained some risk through the operation of self-insurance, primarily in the areas of workers' compensation, property insurance and general liability. In our opinion, these and other lawsuits and claims, either individually or in the aggregate, are not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Altamaha Riverkeeper Litigation — Jesup Plant. In November 2013, we received a "sixty day letter" from lawyers representing a non-profit environmental organization, the Altamaha Riverkeeper. In the letter, the Altamaha Riverkeeper threatened to file a citizen suit against us as permitted under the federal Clean Water Act and the Georgia Water Quality Control Act due to what the letter alleges to be ongoing violations of such laws, if we do not correct such violations within 60 days of the date of the letter. The allegations relate to the color and odor of treated effluent discharged into the Altamaha River by our Jesup, Georgia plant.

On March 26, 2014, we were served with a complaint, captioned *Altamaha Riverkeeper, Inc. v. Rayonier Inc. and Rayonier Performance Fibers LLC*, which was filed in the U.S. District Court for the Southern District of Georgia. In the complaint, the Altamaha Riverkeeper alleges, among other things, violations of the federal Clean Water Act and Georgia Water Quality Control Act, negligence and public nuisance, relating to the permitted discharge from the Jesup plant. The plant's treated effluent is discharged pursuant to a permit issued by the Environmental Protection Division of the Georgia Department of Natural Resources (referred to as the "EPD"), as well as the terms of a consent order entered into in 2008 (and later amended) by EPD and us. The complaint seeks, among other things, injunctive relief, monetary damages, and attorneys' fees and expenses. The total amount of monetary relief being sought by the plaintiff cannot be determined at this time.

On March 31, 2015, our motion for summary judgment was granted by the court, with respect to the Clean Water Act and Georgia Water Quality Control Act claims. State law claims for public nuisance and negligence were also dismissed, for lack of jurisdiction, without prejudice. The Altamaha Riverkeeper has filed a notice of appeal of the court's summary judgment order. We will continue to defend this lawsuit vigorously.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K. Please refer to Item 1A — *Risk Factors* in our Form 10-K for a discussion of risks to which our business, financial condition, results of operations and cash flows are subject.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information regarding our purchases of Rayonier Advanced Materials common stock during the quarter ended March 28, 2015 :

<u>Period</u>	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 to January 31	—	—	—	—
February 1 to February 28	—	—	—	—
March 1 to March 28	569	\$ 19.00	—	—
Total	<u>569</u>		<u>—</u>	

(a) Repurchased to satisfy the minimum tax withholding requirements related to the vesting of restricted stock under the Rayonier Advanced Materials Incentive Stock Plan.

Item 6. Exhibits

10.1	Rayonier Advanced Materials Inc. Incentive Stock Plan, as amended effective January 1, 2016*	Filed herewith
10.2	Amendment dated March 23, 2015 to Agreement between Rayonier Advanced Materials Inc. and Paul G. Boynton Regarding Retention Award*	Filed herewith
10.3	Rayonier Advanced Materials Inc. Executive Severance Pay Plan, as amended effective January 1, 2016*	Filed herewith
31.1	Chief Executive Officer’s Certification Pursuant to Rule 13a-14(a)/15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Chief Financial Officer’s Certification Pursuant to Rule 13a-14(a)/15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32	Certification of Periodic Financial Reports Under Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
101	The following financial information from our Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2015, formatted in Extensible Business Reporting Language (“XBRL”), includes: (i) the Condensed Consolidated Statements of Income and Comprehensive Income for the Three Months Ended March 28, 2015 and March 31, 2014; (ii) the Condensed Consolidated Balance Sheets as of March 28, 2015 and December 31, 2014; (iii) the Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 28, 2015 and March 31, 2014; and (iv) the Notes to Condensed Consolidated Financial Statements	Filed herewith

*Management contract or compensatory plan.

Signature

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

Rayonier Advanced Materials Inc.

(Registrant)

By:

/s/ F RANK A. R UPERTO

Frank A. Ruperto

Chief Financial Officer and

Senior Vice President, Finance and Strategy

(Duly Authorized Officer and Principal Financial Officer)

Date: May 1, 2015

RAYONIER ADVANCED MATERIALS INC.

INCENTIVE STOCK PLAN

Modified Effective January 1, 2016

**RAYONIER ADVANCED MATERIALS INC.
INCENTIVE STOCK PLAN**

1. Purpose

The purpose of the Rayonier Advanced Materials Inc. Incentive Stock Plan is to attract and retain highly qualified employees and directors, to motivate and reward performance that will lead to sustained increases in shareholder value, and to assume certain awards granted under equity compensation plans of Rayonier Inc. The Plan furthers opportunities for share ownership by our employees in order to increase their proprietary interest in Rayonier Advanced Materials and, as a result, their interest in our long-term success and their commitment to creating shareholder value.

2. Definitions

When used herein, the following terms shall have the indicated meaning:

“Act” means the Securities Exchange Act of 1934.

“Award” means an award granted to any Key Employee in accordance with the provisions of the Plan in the form of Options, Rights, Performance Shares, Restricted Stock, Restricted Stock Units or any combination of the foregoing.

“Award Agreement” means the written agreement or document, including electronic communication, evidencing each Award granted to a Key Employee under the Plan.

“Beneficiary” means the estate of a Key Employee or such other beneficiary or beneficiaries lawfully designated pursuant to Section 10 to receive the amount, if any, payable under the Plan upon the death of a Key Employee.

“Board” means the Board of Directors of the Company.

“Change in Control” has the meaning set forth in Sections 9(e) and 9A(c).

“Code” means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. (All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.)

“Committee” means the Compensation and Management Development Committee of the Board or such other committee as may be designated by the Board to administer the Plan.

“Company” means Rayonier Advanced Materials Inc. and its successors and assigns.

“Effective Date” has the meaning set forth in Section 17.

“Fair Market Value”, unless otherwise indicated in the provisions of this Plan, means, as of any date, the closing price for one share of Stock on the New York Stock Exchange for the most recently completed trading day or, if no sales of Stock have taken place on such date, the closing price on the most recent date on which selling prices were quoted, the determination to be made in the discretion of the Committee.

“GAAP” means U.S. Generally Accepted Accounting Principles.

“Incentive Stock Option” means a stock option qualified under Section 422 of the Code.

“Key Employee” means an employee (including any officer or director who is also an employee) of any Participating Company whose responsibilities and decisions, in the judgment of the Committee, directly affect the performance of the Company and its subsidiaries. References to the term “Key Employees” shall be read to include “Non-employee Directors” in the application of Sections 3, 5, 7, 8, and 9 through 16 of the Plan as the context may require in relationship to Awards to Non-employee Directors hereunder. Except as otherwise may be determined by the Board, a Non-employee Director’s ceasing to be a director of the Company shall be treated in the same manner as a voluntary termination of employment by a Key Employee on such date.

“Non-employee Director” means a member of the Board who is not otherwise an employee of the Company.

“Option” means an Incentive Stock Option or a non-qualified stock option awarded under Section 5 of the Plan.

“Participating Company” means the Company or any subsidiary or other affiliate of the Company; provided, however, for Incentive Stock Options only, “Participating Company” means the Company or any corporation that at the time such Option is granted qualifies as a “subsidiary” of the Company under Section 424(f) of the Code.

“Performance Goals” means or may be expressed in terms of any, but not limited to, of the following business criteria: (i) net income, (ii) earnings per share, (iii) operating income, (iv) operating cash flow, (v) cash available for distribution, (vi) earnings before income taxes and depreciation, (vii) earnings before interest, taxes, depreciation and amortization, (viii) operating margins, (ix) reductions in operating expenses, (x) sales or return on sales, (xi) total stockholder return, (xii) return on equity, (xiii) return on total capital, (xiv) return on invested capital, (xv) return on assets, (xvi) economic value added, (xvii) cost reductions and savings, (xviii) increase in surplus, (xix) productivity improvements, and (xx) an executive’s attainment of personal objectives with respect to any of the foregoing criteria or other criteria such as growth and profitability, customer satisfaction, leadership effectiveness, business development, negotiating transactions and sales or developing long term business goals. A Performance Goal may be measured over a Performance Period on a periodic, annual, cumulative or average basis and may be established on a corporate-wide basis or established with respect to one or more operating units, divisions, subsidiaries, acquired businesses, minority investments, partnerships or joint ventures. Unless otherwise determined by the Committee, the Performance Goals will be determined using GAAP consistently applied during a Performance Period by no later than the earlier of the date that is ninety days after the commencement of the Performance Period or the day prior to the date on which twenty-five percent of the Performance Period has elapsed.

“Performance Objective” means the level or levels of performance required to be attained with respect to specified Performance Goals in order that a Key Employee shall become entitled to specified rights in connection with a Performance Share. The

level or levels of performance specified with respect to a Performance Goal may be established in absolute terms, as objectives relative to performance in prior periods, as an objective compared to the performance of one or more peer companies or an index covering multiple companies, or otherwise as the Committee may determine.

“Performance Period” means the calendar year, or such other shorter or longer period designated by the Committee, during which performance will be measured in order to determine a Key Employee’s entitlement to receive payment of a Performance Share.

“Performance Share” means a performance share awarded under Section 6 of the Plan.

“Plan” means this Rayonier Advanced Materials Inc. Incentive Stock Plan, as it may be amended, administered or interpreted from time to time.

“Plan Year” means the calendar year.

“Retirement” means an employee’s separation from service having met the age and service requirements that would have resulted in the employee’s being eligible to receive immediate retirement benefits under a Participating Company qualified defined benefit pension plan, but without regard to whether or not such employee participates in such pension plan.

“Restricted Stock” means Stock awarded under Section 7 of the Plan subject to such restrictions as the Committee deems appropriate or desirable.

“Restricted Stock Unit” means a contractual right pursuant to an Award Agreement that entitles a Key Employee to receive shares of Stock at a future date subject to such terms and conditions as are set by the Committee, including the attainment of time vesting criteria and/or Performance Objectives, as provided in Section 6 and 7 of the Plan.

“Restriction Period” has the meaning set forth in Section 7 of the Plan.

“Right” means a stock appreciation right awarded in connection with an option under Section 5 of the Plan.

“Share Limit” has the meaning set forth in Section 3 of the Plan.

“Shareholder Approval” shall mean approval of holders of a majority of the shares of Stock represented and voting in person or by proxy at an annual or special meeting of shareholders of the Company where a quorum is present.

“Stock” means the common shares of the Company.

“Total Disability” means the complete and permanent inability of a Key Employee to perform all of his or her duties under the terms of his or her employment with any Participating Company, as determined by the Committee upon the basis of such evidence, including independent medical reports and data, as the Committee deems appropriate or necessary.

“Transfer Agreement Terms” means the provisions of the Employee Matters Agreement by and between Rayonier Inc. and Rayonier Advanced Materials Inc. addressing certain rights and obligations of the parties related to the transfer of employees from Rayonier Inc. to the Company.

“Voting Securities” means any securities of the Company that vote generally in the election of directors.

3. Shares Subject to the Plan

(a) From and after the Effective Date, the total number of shares of Stock that may be issued pursuant to Awards under the Plan shall not exceed 4,500,000 plus the number of shares reserved for issuance for Awards under the equity compensation plans of Rayonier Inc. transferred to the Company pursuant to the Transfer Agreement Terms. The shares of Stock may be authorized, but unissued, or reacquired shares of Stock. Shares may be issued in connection with a merger or acquisition as permitted by NYSE Listed Company Manual Section 303A.08, and such issuance shall not reduce the number of shares available for issuance under the Plan. No more than 1,000,000 shares of Stock may be cumulatively available for Awards of Incentive Stock Options under the Plan. For any Plan Year, no individual employee may receive an Award of Options, Performance Shares, Restricted Stock, Restricted Stock Units or Rights for more than four percent (4%) of the total number of shares authorized under the Plan (with respect to any Key Employee, his or her “Share Limit”); *provided that*, to accommodate transition and retention Awards, the Share Limit shall not exceed eight percent (8%) of the total number of shares authorized under the Plan in the first Plan Year. The number of shares available in each category hereunder shall be subject to adjustment as provided in Section 13 in connection with a Stock split, Stock dividend, or other extraordinary transaction affecting the Stock.

(b) Subject to the above limitations, shares of Stock to be issued under the Plan may be made available from the authorized but unissued shares, or from shares purchased in the open market. For the purpose of computing the total number of shares of Stock available for future Awards under the Plan, shares of Stock shall be reserved for issuance under outstanding Performance Shares programs at the maximum award level and counted against the foregoing limitations. If any Awards under the Plan are forfeited, terminated, expire unexercised, are settled in cash in lieu of Stock, are exchanged for other Awards or are released from a reserve for failure to meet the maximum payout under a program, the shares of Stock that were theretofore subject to or reserved for such Awards shall again be available for Awards under the Plan to the extent of such forfeiture, expiration of such Awards or so released from a reserve. Any shares that are exchanged (either actually or constructively) by optionees as full or partial payment to the Company of the purchase price of shares being acquired through the exercise of a stock option granted under the Plan will not be available for subsequent Awards. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld for the payment of taxes or the Stock Award is exercised through a reduction of shares subject to the Stock Award (*i.e.* , “net exercised”) or an appreciation distribution in respect of a Right is paid in shares of Common Stock, the number of shares subject to the Stock Award that are not delivered to the Participant shall not remain available for subsequent issuance under the Plan. If the exercise price of any Stock Award is satisfied by tendering shares of Common Stock held by the Participant (either by actual delivery or attestation), then the number of shares so tendered shall not remain available for issuance under the Plan.

4. Grant of Awards and Award Agreements

(a) Subject to the provisions of the Plan, the Committee shall (i) determine and designate from time to time those Key Employees or groups of Key Employees to whom Awards are to be granted; (ii) determine the form or forms of Award to be granted to any Key Employee; (iii) determine the amount or number of shares of Stock subject to each Award, and (iv) determine the terms and conditions of each Award, including any Awards reflecting the awards previously granted under equity compensation plans of Rayonier Inc. assumed by the Company pursuant to the Transfer Agreement Terms.

(b) The Board shall serve to administer and interpret the Plan with respect to any grants of Awards made to Non-employee Directors. Non-employee Directors shall only be eligible for Stock Options pursuant to Section 5 and/or Restricted Stock under Section 7. Non-employee Directors shall not be entitled to receive any Rights. Any such Awards, and all duties, powers and authority given to the Committee in this Plan, including those provided for in this Section 4, in Section 11 and elsewhere in the Plan, in connection with Awards to Participants shall be deemed to be given to the Board in its sole discretion in connection with Awards to Non-employee Directors. The Board may request of the Committee, its Nominating and Corporate Governance Committee or of any other Board committee comprised of independent directors, its recommendation on the level of Awards for this purpose. Except as may be specifically provided by the Board at the time of grant or in the applicable Award Agreement, the provisions of Sections 9, 14 and 15 shall not apply in respect of Awards made to Non-employee Directors.

(c) Each Award granted under the Plan shall be evidenced by a written Award Agreement. Such agreement shall be subject to and incorporate the express terms and conditions, if any, required under the Plan or required by the Committee, including such covenants and agreements with respect to the subject matter of Sections 14 and 15 as the Committee may determine in its sole discretion.

5. Stock Options and Rights

(a) With respect to Options and Rights, the Committee shall (i) authorize the granting of Incentive Stock Options, nonqualified stock options, or any combination thereof; (ii) authorize the granting of Rights that may be granted in connection with all or part of any Option granted under this Plan, either concurrently with the grant of the Option or at any time thereafter during the term of the Option; (iii) determine the number of shares of Stock subject to each Option or the number of shares of Stock that shall be used to determine the value of a Right; and (iv) determine the time or times when and the manner in which each Option or Right shall be exercisable and the duration of the exercise period.

(b) Any Option issued hereunder that is intended to qualify as an Incentive Stock Option shall be subject to such limitations or requirements as may be necessary for the purposes of Section 422 of the Code or any regulations and rulings thereunder to the extent and in such form as determined by the Committee in its discretion.

(c) Rights may be granted to any Key Employee, in the discretion of the Committee.

(d) The exercise period for Options and any related Rights shall not exceed ten years from the date of grant.

(e) The Option price per share shall be determined by the Committee at the time any Option is granted and shall be not less than the Fair Market Value of one share of Stock on the date the Option is granted.

(f) No part of any Option or Right may be exercised until the Key Employee who has been granted the Award shall have remained in the employ of a Participating Company for such period after the date of grant as the Committee may specify, if any, and the Committee may further require exercisability in installments; provided, however, the period during which a Right is exercisable shall commence no earlier than six months following the date the Option or Right is granted.

(g) The Option purchase price shall be paid to the Company at the time of exercise either in cash or Stock already owned by the optionee, or any combination thereof, having a total Fair Market Value equal to the purchase price. The Committee shall determine acceptable methods for tendering Stock as payment upon exercise of an Option and may impose such limitations and prohibitions on the use of Stock to exercise an Option as it deems appropriate.

(h) Unless Section 9 or 9A shall provide otherwise, Rights granted to a director or officer shall terminate when such person ceases to be considered a director or officer of the Company subject to Section 16 of the Act.

(i) In case of termination of employment, the following provisions shall apply:

(A) If a Key Employee who has been granted an Option shall die before such Option has expired, his or her vested Options may be exercised in full by the person or persons to whom the Key Employee's rights under the Option pass by will, or if no such person has such right, by his or her executors or administrators, at any time, or from time to time, in each such case, such heir, executor or administrator may exercise the Option within five years after the date of the Key Employee's death or within such other period, and subject to such terms and conditions as the Committee may specify, but in all events not later than the expiration date specified in Section 5(d) above. Unless the Committee or the Award Agreement shall specify otherwise, unvested Options shall be forfeited as of the date of the Key Employee's death.

(B) If the Key Employee's employment by any Participating Company terminates because of his or her Retirement or Total Disability, he or she may exercise his or her Options in full at any time, or from time to time, within five years after the date of the termination of his or her employment or within such other period, and subject to such terms and conditions as the Committee may specify, but not later than the expiration date specified in Section 5(d) above. Any such Options not fully exercisable immediately prior to such optionee's Retirement shall become fully exercisable upon such Retirement unless the Committee, in its sole discretion, shall otherwise determine.

(C) Except as provided in Section 9 or 9A, if the Key Employee shall voluntarily resign before eligibility for Retirement or he or she is terminated for cause as determined

by the Committee, the Options shall be cancelled coincident with the effective date of the termination of employment.

(D) If the Key Employee's employment terminates for any other reason, he or she may exercise his or her Options, to the extent that he or she shall have been entitled to do so at the date of the termination of his or her employment, at any time, or from time to time, within three months after the date of the termination of his or her employment or within such other period, and subject to such terms and conditions as the Committee may specify, but not later than the expiration date specified in Section 5(d) above.

(j) No Option or Right granted under the Plan shall be transferable other than by will or by the laws of descent and distribution. During the lifetime of the optionee, an Option or Right shall be exercisable only by the Key Employee to whom the Option or Right is granted.

(k) With respect to an Incentive Stock Option, the Committee shall specify such terms and provisions as the Committee may determine to be necessary or desirable in order to qualify such Option as an "incentive stock option" within the meaning of Section 422 of the Code.

(l) With respect to the exercisability and settlement of Rights:

(A) Upon exercise of a Right, the Key Employee shall be entitled, subject to such terms and conditions as the Committee may specify, to receive upon exercise thereof all or a portion of the excess of (i) the Fair Market Value of a specified number of shares of Stock at the time of exercise, as determined by the Committee, over (ii) a specified amount that shall not, subject to Section 5(e), be less than the Fair Market Value of such specified number of shares of Stock at the time the Right is granted. Upon exercise of a Right, payment of such excess shall be made by the issuance or transfer to the Key Employee of whole shares of Stock with a Fair Market Value at such time equal to any excess, all as determined by the Committee. The Company will not issue a fractional share of Stock and, if a fractional share would otherwise be issuable, the Company shall pay cash equal to the Fair Market Value of the fractional share of Stock at such time.

(B) In the event of the exercise of such Right, the Company's obligation in respect of any related Option or such portion thereof will be discharged by payment of the Right so exercised.

6. **Performance Shares**

(a) Subject to the provisions of the Plan, the Committee shall (i) determine and designate from time to time those Key Employees or groups of Key Employees to whom Awards of Performance Shares are to be made, (ii) determine the Performance Period and Performance Objectives applicable to such Awards, (iii) determine the form of settlement of a Performance Share and (iv) generally determine the terms and conditions of each such Award. At any date, each Performance Share shall have a value equal to the Fair Market Value of a share of Stock at such date; provided that the Committee may limit the aggregate amount payable upon the settlement of any Award.

(b) The Committee shall determine a Performance Period of not less than two nor more than five years with respect to the award of Performance Shares. Performance Periods may overlap and Key Employees may participate simultaneously with respect to Performance Shares for which different Performance Periods are prescribed.

(c) The Committee shall determine the Performance Objectives of Awards of Performance Shares. Performance Objectives may vary from Key Employee to Key Employee and between groups of Key Employees and shall be based upon such Performance Goals as the Committee may deem appropriate. The Performance Objective shall be established by the Committee prior to, or reasonably promptly following the inception of, a Performance Period but, to the extent required by Section 162(m) of the Code, by no later than the earlier of the date that is ninety days after the commencement of the Performance Period or the day prior to the date on which twenty-five percent of the Performance Period has elapsed.

(d) Following the completion of each Performance Period, the Committee shall certify in writing, in accordance with the requirements of Section 162(m) of the Code to the extent applicable, whether the Performance Objective and other material terms for paying amounts in respect of each Performance Share Award related to that Performance Period have been achieved or met. Unless the Committee determines otherwise, Performance Share Awards shall not be settled until the Committee has made the certification specified under this Section 6(d).

(e) The Committee is authorized at any time during or after a Performance Period to reduce or eliminate the Performance Share Award of any Key Employee for any reason, including, without limitation, changes in the position or duties of any Key Employee with the Participating Company during or after a Performance Period, whether due to any termination of employment (including death, disability, retirement, voluntary termination or termination with or without cause) or otherwise. In addition, to the extent necessary to preserve the intended economic effects of the Plan to the Participating Company and the Key Employee, the Committee shall adjust Performance Objectives, the Performance Share Awards or both to take into account: (i) a change in corporate capitalization, (ii) a corporate transaction, such as any merger of the Company or any subsidiary into another corporation, any consolidation of the Company or any subsidiary into another corporation, any separation of the Company or any subsidiary (including a spin-off or the distribution of stock or property of the Company or any subsidiary), any reorganization of the Company or any subsidiary or a large, special and non-recurring dividend paid or distributed by the Company (whether or not such reorganization comes within the definition of Section 368 of the Code), (iii) any partial or complete liquidation of the Company or any subsidiary or (iv) a change in accounting or other relevant rules or regulations (any adjustment pursuant to this Clause (iv) shall be subject to the timing requirements of the last sentence of the definition of Performance Goal set forth in Section 2 of the Plan); provided, however, that no adjustment hereunder shall be authorized or made if and to the extent that the Committee determines that such authority or the making of such adjustment would cause the Performance Bonus Awards to fail to qualify as “qualified performance-based compensation” under Section 162(m) of the Code with respect to a particular Key Employee.

(f) At the beginning of a Performance Period, the Committee shall determine for each Key Employee or group of Key Employees the number of Performance Shares or the percentage of Performance Shares that shall be paid to the Key Employee or member of the group of Key Employees if Performance Objectives are met in whole or in part.

(g) If a Key Employee terminates service with all Participating Companies during a Performance Period because of death, Total Disability, Retirement, or under other circumstances where the Committee in its sole discretion finds that a waiver would be in the best interests of the Company, that Key Employee may, as determined by the Committee, be entitled to an Award of Performance Shares at the end of the Performance Period based upon the extent to which the Performance Objectives were satisfied at the end of such period, which Award, in the discretion of the Committee, may be maintained without change or reduced and prorated for the portion of the Performance Period during which the Key Employee was employed by any Participating Company; provided, however, the Committee may provide for an earlier payment in settlement of such Performance Shares in such amount and under such terms and conditions as the Committee deems appropriate or desirable, but only to the extent consistent with the requirements of Section 162(m) of the Code to the extent applicable in respect of such Key Employee. If a Key Employee terminates service with all Participating Companies during a Performance Period for any other reason, then such Key Employee shall not be entitled to any Award with respect to that Performance Period unless the Committee shall otherwise determine.

(h) Each Award of a Performance Share shall be paid in whole shares of Stock, with payment to commence as soon as practicable after the end of the relevant Performance Period but no earlier than following the determination made in Section 6(d) hereof. To the extent provided at the beginning of a Performance Period and in the applicable Award Agreement, dividends with respect to such Award (if any) shall be deemed invested in additional shares of Stock. Subject to the terms of the applicable program, the Award may also be paid in shares of Stock or Restricted Stock.

(i) A Key Employee shall not be granted Performance Shares for all of the Performance Periods commencing in the same calendar year that permit the Key Employee to earn Stock covering more than the Share Limit in respect of such Key Employee. In addition, separate and apart from the limit in the previous sentence, with respect to Performance Share Awards to be settled in cash, a Key Employee shall not be granted Performance Share Awards for all of the Performance Periods commencing in a calendar year that permit the Key Employee in the aggregate to earn a cash payment in excess of the Fair Market Value of the Share Limit as of the first day of the first Performance Period commencing in such calendar year.

(j) Performance Share Awards may be structured in the form of Restricted Stock Units or any substantially similar instrument evidencing the right to receive a share of Stock at some future date upon the lapse of the applicable restrictions established by the Committee or upon the satisfaction of any applicable Performance Goals established by the Committee hereunder. To the extent provided for by the Committee, the rules of Section 7 shall apply to Restricted Stock Units.

7. Restricted Stock and Restricted Stock Units

(a) Subject to the provisions of the Plan, the Committee shall: (i) determine and designate from time to time those Key Employees or groups of Key Employees to whom Awards of Restricted Stock or Restricted Stock Units are to be made, (ii) determine the restrictions applicable to such Awards, including the attainment of time vesting criteria and/or Performance Objectives, (iii) determine a restriction period (after which restrictions will lapse), which shall mean a period commencing on the date the Award is granted and ending on such date as the Committee shall determine (the "Restriction Period"), (iv) determine the form of settlement of a Restricted Stock Unit, and (v) generally determine the terms and conditions of each Award of Restricted Stock and Restricted Stock Units. The Committee may provide for the lapse of restrictions in installments where deemed appropriate.

(b) Except as may be provided in the applicable Award agreement or when the Committee determines otherwise pursuant to Section 7(d), if a Key Employee terminates employment with all Participating Companies for any reason before the expiration of the Restriction Period, all shares of Restricted Stock or Restricted Stock Units still subject to restriction shall be forfeited by the Key Employee and shall be reacquired by the Company.

(c) Except as otherwise provided in this Section 7, no shares of Restricted Stock received by a Key Employee shall be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of during the Restriction Period.

(d) In cases of death, Total Disability or Retirement or in cases of special circumstances, the Committee may, in its sole discretion when it finds that a waiver would be in the best interests of the Company, elect to waive any or all remaining restrictions with respect to such Key Employee's Restricted Stock.

(e) The Committee may require, under such terms and conditions as it deems appropriate or desirable, that the certificates for Stock delivered under the Plan may be held in custody by a bank or other institution, or that the Company may itself hold such shares in custody until the Restriction Period expires or until restrictions thereon otherwise lapse, and may require, as a condition of any Award of Restricted Stock that the Key Employee shall have delivered a stock power endorsed in blank relating to the Restricted Stock.

(f) Nothing in this Section 7 shall preclude a Key Employee from exchanging any shares of Restricted Stock subject to the restrictions contained herein for any other shares of Stock that are similarly restricted.

(g) Subject to Section 7(e) and Section 8, each Key Employee entitled to receive Restricted Stock under the Plan shall be issued a certificate for the shares of Stock. Such certificate shall be registered in the name of the Key Employee, and shall bear an appropriate legend reciting the terms, conditions and restrictions, if any, applicable to such Award and shall be subject to appropriate stop-transfer orders.

(h) Restricted Stock Units are contractual rights only, and no Stock will be issued unless and until the terms and conditions set by Committee are obtained. Restricted Stock Units do not carry any rights of a stockholder, including voting rights, and unless otherwise

provided in the Award Agreement, do not carry a right to receive an amount in respect of dividends.

8. Certificates for Awards of Stock

(a) The Company shall not be required to issue or deliver any certificates for shares of Stock prior to (i) the listing of such shares on any stock exchange on which the Stock may then be listed and (ii) the completion of any registration or qualification of such shares under any federal or state law, or any ruling or regulation of any government body that the Company shall, in its sole discretion, determine to be necessary or advisable.

(b) All certificates for shares of Stock delivered under the Plan shall be subject to such stop-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is then listed and any applicable federal or state securities laws, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions. The foregoing provisions of this Section 8(b) shall not be effective if and to the extent that the shares of Stock delivered under the Plan are covered by an effective and current registration statement under the Securities Act of 1933, or if and so long as the Committee determines that application of such provisions is no longer required or desirable. In making such determination, the Committee may rely upon an opinion of counsel for the Company. The rules applicable to certificates hereunder shall apply equally to noncertificated shares of Stock held pursuant to any electronic, book entry or other means or record of ownership and transfer.

(c) Except for the restrictions on Restricted Stock under Section 7, each Key Employee who receives Stock in settlement of an Award of Stock, shall have all of the rights of a shareholder with respect to such shares, including the right to vote the shares and receive dividends and other distributions. No Key Employee awarded an Option, a Right, a Restricted Stock Unit or Performance Share shall have any right as a shareholder with respect to any shares covered by his or her Option, Right, Restricted Stock Unit or Performance Share prior to the date of issuance to him or her of a certificate or certificates for such shares.

9. Change in Control Events Occurring on or before December 31, 2015

This Section 9 applies only with respect to a Change in Control occurring pursuant to a definitive agreement that is executed and delivered on or after January 1, 2016; provided, however, that for any Change in Control occurring pursuant to a definitive agreement that is executed and delivered prior to January 1, 2016, the terms of this Plan as were in effect on the date of execution and delivery of such definitive agreement shall in all events control.

Notwithstanding any provisions in this Plan to the contrary:

(a) Each outstanding Option granted under the Plan shall become immediately exercisable in full for the aggregate number of shares covered thereby and all related Rights shall also become exercisable upon the occurrence of a Change in Control and shall continue to be exercisable in full for a period of 60 calendar days beginning on the date that such Change in Control occurs and ending on the 60th calendar day following that date; provided,

however, that no Option or Right shall be exercisable beyond the expiration date of its original term.

(b) Options and Rights shall not terminate and shall continue to be fully exercisable for a period of seven months following the occurrence of a Change in Control in the case of an employee who is terminated other than for just cause or who voluntarily terminates his or her employment because he or she in good faith believes that as a result of such Change in Control he or she is unable effectively to discharge the duties of the position he or she occupied just prior to the occurrence of such Change in Control. For purposes of Section 9 only, termination shall be for “just cause” only if such termination is based on fraud, misappropriation or embezzlement on the part of the employee that results in a final conviction of a felony. Under no circumstances, however, shall any Option or Right be exercised beyond the expiration date of its original term.

(c) The restrictions applicable to Awards of Restricted Stock and time vested Restricted Stock Units issued pursuant to Section 7 shall lapse upon the occurrence of a Change in Control and the Company shall issue stock certificates without a restrictive legend.

(d) Subject to any change or interpretation of the Committee under Section 16(f), if a Change in Control occurs during the course of a Performance Period applicable to an Award of Performance Shares pursuant to Section 6, then the Key Employee shall be deemed to have satisfied the Performance Objectives.

(e) For purposes of this Section 9, “Change in Control” means any one or more of the following events occurring on or before December 31, 2015:

- (i) subject to the conditions contained in the final paragraph of this definition, the filing of a report on Schedule 13D with the Securities and Exchange Commission pursuant to Section 13(d) of the Act disclosing that any person, other than the Company or any employee benefit plan sponsored by the Company, is the beneficial owner (as the term is defined in Rule 13d-3 under the Act) directly or indirectly, of securities representing 20 percent or more of the total voting power represented by the Company’s then outstanding Voting Securities (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire Voting Securities); or
- (ii) the purchase by any person, other than the Company or any employee benefit plan sponsored by the Company, of shares pursuant to a tender offer or exchange offer to acquire any Voting Securities of the Company (or securities convertible into such Voting Securities) for cash, securities, or any other consideration, provided that after consummation of the offer, the person in question is the beneficial owner, directly or indirectly, of securities representing 20 percent or more of the total voting power represented by the Company’s then outstanding Voting Securities (all as calculated under clause (i)); or
- (iii) the approval by the shareholders of the Company, and the subsequent occurrence, of (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation (other than a merger of the Company in which holders of Common Shares of the Company immediately prior to the merger have the

same proportionate ownership of Common Shares of the surviving corporation immediately after the merger as immediately before), or pursuant to which Common Shares of the Company would be converted into cash, securities, or other property, or (B) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company; or

- (iv) a change in the composition of the Board of the Company at any time during any consecutive 24-month period such that “continuing directors” cease for any reason to constitute at least a 70 percent majority of the Board.

For purposes of this definition of “Change in Control,” the term “Voting Securities” means any securities of the Company that vote generally in the election of members of the Board and the term “continuing directors” means those members of the Board who either were directors at the beginning of a consecutive 24-month period or were elected during such period by or on the nomination or recommendation of at least a 70 percent majority of the then-existing Board. So long as there has not been a Change in Control within the meaning of clause (iv) above, the Board may adopt by a 70 percent majority vote of the “continuing directors” a resolution to the effect that the occurrence of an event described in clause (i) (a “Clause (i) Event”) does not constitute a “Change in Control” (an “Excluding Resolution”) or a resolution to the effect that the occurrence of a Clause (i) Event does constitute a “Change in Control” (an “Including Resolution”). The adoption of an Excluding Resolution with respect to any Clause (i) Event shall not deprive the Board of the right to adopt an Including Resolution with respect to such Clause (i) Event at a later date. A Clause (i) Event shall not in and of itself constitute a “Change in Control” until the earlier of (x) the effective date of an Including Resolution with respect thereto or (y) the passage of a period of 30 calendar days after the occurrence thereof without an Excluding Resolution having been adopted with respect thereto; notwithstanding the adoption of an Excluding Resolution within the 30-day period referred to in (y), an Including Resolution may subsequently be adopted with respect to the relevant Clause (i) Event while it continues to exist, in which event a “Change in Control” shall be deemed to have occurred for purposes of this definition upon the effective date of such Including Resolution. The provisions of this paragraph of the definition of “Change in Control” relate only to situations where a Clause (i) Event has occurred and no Change in Control within the meaning of clause (ii), (iii), or (iv) of the preceding paragraph has occurred, and nothing in this paragraph shall derogate from the principle that the occurrence of an event described in clause (ii), (iii), or (iv) of the preceding paragraph shall be deemed an immediate Change in Control regardless of whether or not a Clause (i) Event has occurred and an Excluding Resolution or Including Resolution become effective.

9A. Change in Control Events Occurring on or After January 1, 2016

This Section 9A applies only with respect to a Change in Control occurring on or after January 1, 2016 (other than those Change in Control events otherwise covered by Section 9). Notwithstanding any provisions in this Plan to the contrary:

- (a) Options and Rights shall not terminate and shall continue to be fully exercisable for a period of seven months following the occurrence of a Change in Control in the case of an employee who is terminated other than for just cause or who voluntarily terminates

his or her employment because he or she in good faith believes that as a result of such Change in Control he or she is unable effectively to discharge the duties of the position he or she occupied just prior to the occurrence of such Change in Control. For purposes of Section 9A only, termination shall be for “just cause” only if such termination is based on fraud, misappropriation or embezzlement on the part of the employee that results in a final conviction of a felony. Under no circumstances, however, shall any Option or Right be exercised beyond the expiration date of its original term.

(b) Subject to any change or interpretation of the Committee under Section 16(f), if a Change in Control occurs during the course of a Performance Period applicable to an Award of Performance Shares pursuant to Section 6, then the Key Employee shall be deemed to have satisfied the Performance Objectives at target, if and only if actual performance through the effective date of the Change in Control meets or exceeds the targets (as modified based upon the portion of the Performance Period that has elapsed).

(c) For purposes of this Section 9A, “Change in Control” means any one or more of the following events occurring on or after January 1, 2016:

- (i) subject to the conditions contained in the final paragraph of this definition, the filing of a report on Schedule 13D with the Securities and Exchange Commission pursuant to Section 13(d) of the Act disclosing that any person, other than the Company or any employee benefit plan sponsored by the Company, is the beneficial owner (as the term is defined in Rule 13d-3 under the Act) directly or indirectly, of securities representing twenty percent (20%) or more of the total voting power represented by the Company’s then outstanding Voting Securities (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire Voting Securities); or
- (ii) the purchase by any person, other than the Company or any employee benefit plan sponsored by the Company, of shares pursuant to a tender offer or exchange offer to acquire any Voting Securities of the Company (or securities convertible into such Voting Securities) for cash, securities, or any other consideration, provided that after consummation of the offer, the person in question is the beneficial owner, directly or indirectly, of securities representing twenty percent (20%) or more of the total voting power represented by the Company’s then outstanding Voting Securities (all as calculated under clause (i)); or
- (iii) the approval by the shareholders of the Company, and the subsequent occurrence, of (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation (other than a merger of the Company in which holders of Common Shares of the Company immediately prior to the merger have the same proportionate ownership of Common Shares of the surviving corporation immediately after the merger as immediately before), or pursuant to which Common Shares of the Company would be converted into cash, securities, or other property, or (B) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company; or

- (iv) a change in the composition of the Board of the Company at any time during any consecutive 24-month period such that “continuing directors” cease for any reason to constitute at least a 70 percent majority of the Board.

For purposes of this definition of “Change in Control,” the term “Voting Securities” means any securities of the Company that vote generally in the election of members of the Board and the term “continuing directors” means those members of the Board who either were directors at the beginning of a consecutive 24-month period or were elected during such period by or on the nomination or recommendation of at least a 70 percent majority of the then-existing Board. So long as there has not been a Change in Control within the meaning of clause (iv) above, the Board may adopt by a 70 percent majority vote of the “continuing directors” a resolution to the effect that the occurrence of an event described in clause (i) (a “Clause (i) Event”) does not constitute a “Change in Control” (an “Excluding Resolution”) or a resolution to the effect that the occurrence of a Clause (i) Event does constitute a “Change in Control” (an “Including Resolution”). The adoption of an Excluding Resolution with respect to any Clause (i) Event shall not deprive the Board of the right to adopt an Including Resolution with respect to such Clause (i) Event at a later date. A Clause (i) Event shall not in and of itself constitute a “Change in Control” until the earlier of (x) the effective date of an Including Resolution with respect thereto or (y) the passage of a period of 30 calendar days after the occurrence thereof without an Excluding Resolution having been adopted with respect thereto; notwithstanding the adoption of an Excluding Resolution within the 30-day period referred to in (y), an Including Resolution may subsequently be adopted with respect to the relevant Clause (i) Event while it continues to exist, in which event a “Change in Control” shall be deemed to have occurred for purposes of this definition upon the effective date of such Including Resolution. The provisions of this paragraph of the definition of “Change in Control” relate only to situations where a Clause (i) Event has occurred and no Change in Control within the meaning of clause (ii), (iii), or (iv) of the preceding paragraph has occurred, and nothing in this paragraph shall derogate from the principle that the occurrence of an event described in clause (ii), (iii), or (iv) of the preceding paragraph shall be deemed an immediate Change in Control regardless of whether or not a Clause (i) Event has occurred and an Excluding Resolution or Including Resolution become effective.

10. **Beneficiary**

The Beneficiary of a Key Employee shall be the Key Employee’s estate, which shall be entitled to receive the Award, if any, payable under the Plan upon his or her death. A Key Employee may file with the Company a written designation of one or more persons as a Beneficiary in lieu of his or her estate, who shall be entitled to receive the Award, if any, payable under the Plan upon his or her death, subject to the enforceability of the designation under applicable law at that time. A Key Employee may from time-to-time revoke or change his or her Beneficiary designation, with or without the consent of any prior Beneficiary as required by applicable law, by filing a new designation with the Company. Subject to the foregoing, the last such designation received by the Company shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Key Employee’s death, and in no event shall it be effective as of a date prior to such receipt. If the Committee is in doubt as to the right of any

person to receive such Award, the Company may retain such Award, without liability for any interest thereon, until the Committee determines the rights thereto, or the Company may pay such Award into any court of appropriate jurisdiction and such payment shall be a complete discharge of the liability of the Company therefore.

11. Administration of the Plan

(a) Each member of the Committee shall be both a member of the Board, a “non-employee director” within the meaning of Rule 16b-3(b)(3)(i) under the Act or successor rule or regulation and an “outside director” within the meaning of Section 162(m) of the Code.

(b) All decisions, determinations or actions of the Committee made or taken pursuant to grants of authority under the Plan shall be made or taken in the sole discretion of the Committee and shall be final, conclusive and binding on all persons for all purposes.

(c) The Committee shall have full power, discretion and authority to interpret, construe and administer the Plan and any part thereof, and its interpretations and constructions thereof and actions taken thereunder shall be, except as otherwise determined by the Board, final, conclusive and binding on all persons for all purposes.

(d) The Committee’s decisions and determinations under the Plan need not be uniform and may be made selectively among Key Employees, whether or not such Key Employees are similarly situated.

(e) The Committee may, in its sole discretion, delegate such of its powers as it deems appropriate; provided, however, that the Committee may not delegate its responsibility (i) to make Awards to executive officers of the Company; (ii) to make Awards that are intended to constitute “qualified performance-based compensation” under Section 162(m) of the Code; or (iii) to certify the satisfaction of Performance Objectives pursuant to Section 6(d) or in accordance with Section 162(m) of the Code. The Committee may also appoint agents to assist in the day-to-day administration of the Plan and may delegate the authority to execute documents under the Plan to one or more members of the Committee or to one or more officers of the Company.

(f) If a Change in Control has not occurred and if the Committee determines that a Key Employee has taken action inimical to the best interests of any Participating Company, the Committee may, in its sole discretion, terminate in whole or in part such portion of any Option (including any related Right) as has not yet become exercisable at the time of termination, terminate any Performance Share Award for which the Performance Period has not been completed or terminate any Award of Restricted Stock or Restricted Stock Unit for which the Restriction Period has not lapsed.

12. Amendment, Extension or Termination

The Board may, at any time, amend or terminate the Plan and, specifically, may make such modifications to the Plan as it deems necessary to avoid the application of Section 162(m) of the Code and the Treasury regulations issued thereunder. However, no amendment

shall, without approval by a majority of the Company's stockholders, (a) alter the group of persons eligible to participate in the Plan, (b) except as provided in Section 13 increase the maximum number of shares of Stock that are available for Awards under the Plan, or (c) except for adjustments pursuant to Section 13 or as otherwise provided for in the Plan, decrease the Option price for any outstanding Option or Right after the date the Option or Right is granted, or cancel or accept the surrender of any outstanding Option or Right at a time when its exercise price exceeds the fair market value of the underlying Stock, in exchange for another Award, cash or other property or the grant of a new Option or Right with a lower price than the Option or Right being surrendered. If a Change in Control has occurred, no amendment or termination shall impair the rights of any person with respect to a prior Award.

13. Adjustments in Event of Change in Common Stock and Change in Control

(a) Adjustments. In the event of any recapitalization, reclassification, split-up or consolidation of shares of Stock or stock dividend, merger or consolidation of the Company or sale by the Company of all or a portion of its assets, the Committee shall make such adjustments in the Stock subject to Awards, including Stock subject to purchase by an Option, or the terms, conditions or restrictions on Stock or Awards, including the price payable upon the exercise of such Option, as the Committee deems equitable; provided however, that in the event of a stock split, stock dividend or consolidation of shares, the number of shares subject to an outstanding Option and the exercise price thereof, and the number of outstanding Performance Shares, shall be proportionately adjusted to reflect such action. With respect to Awards intended to qualify as "performance-based compensation" under Section 162(m) of the Code, such adjustments shall be made only to the extent that the Committee determines that such adjustments may be made without a loss of deductibility for such Awards under Section 162(m) of the Code.

(b) Change in Control. In the event of a Change in Control to which Section 9A applies, each outstanding Award will be treated as the Committee determines in its sole discretion, including, without limitation, that each Award be assumed or cancelled or that substantially equivalent Awards be substituted by the successor corporation. In taking any action permitted under this Section 13(b), the Committee will not be required to treat all Awards similarly in the transaction.

14. Forfeiture of Gains on Exercise

Except following a Change in Control, if the Key Employee terminates employment in breach of any covenants and conditions subsequent set forth in Section 15 and becomes employed by a competitor of the Company within one year after the date of exercise of any Option or the receipt of any Award, the Key Employee shall pay to the Company an amount equal to any gain from the exercise of the Option or the value of the Award other than Options, in each case measured by the amount reported as taxable compensation to the Key Employee by the Company for federal income tax purposes and in the case of Options that are incentive stock options, in an amount equal to the amount that would have been reported as taxable income were such Options not incentive stock options, and in each case without

regard to any subsequent fluctuation in the market price of the shares of common stock of the Company. Any such amount due hereunder shall be paid by the Key Employee within thirty days of becoming employed by a competitor. By accepting an Option or other Award hereunder, the Key Employee is authorizing the Company to withhold, to the extent permitted by law, the amount owed to the Company hereunder from any amounts that the Company may owe to the Key Employee in any capacity whatsoever.

15. Conditions Subsequent

Except after a Change in Control, the exercise of any Option or Right and the receipt of any Award shall be subject to the satisfaction of the following conditions subsequent: (i) that Key Employee refrain from engaging in any activity that in the opinion of the Committee is competitive with any activity of the Company or any Subsidiary, excluding any activity undertaken upon the written approval or request of the Company, (ii) that Key Employee refrain from otherwise acting in a manner inimical or in any way contrary to the best interests of the Company, and (iii) that the Key Employee furnish the Company such information with respect to the satisfaction of the foregoing conditions subsequent as the Committee shall reasonably request. In addition, except as may otherwise be excused by action of the Committee, the Key Employee by the exercise of the Option or the receipt of the Award agrees to remain in the employ of the Company, unless earlier terminated by the Company or by the Key Employee by reason of his or her death, disability or retirement.

16. Miscellaneous

(a) Nothing in this Plan or any Award granted hereunder shall confer upon any employee any right to continue in the employ of any Participating Company or interfere in any way with the right of any Participating Company to terminate his or her employment at any time. No Award payable under the Plan shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of any Participating Company for the benefit of its employees unless the Company shall determine otherwise. No Key Employee shall have any claim to an Award until it is actually granted under the Plan. To the extent that any person acquires a right to receive payments from the Company under this Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as provided in Section 7(e) with respect to Restricted Stock.

(b) The Committee may cause to be made, as a condition precedent to the payment of any Award, or otherwise, appropriate arrangements with the Key Employee or his or her Beneficiary, for the withholding of any federal, state, local or foreign taxes.

(c) The Plan and the grant of Awards shall be subject to all applicable federal and state laws, rules, and regulations and to such approvals by any government or regulatory agency as may be required.

(d) The terms of the Plan shall be binding upon the Company and its successors and assigns.

(e) Captions preceding the sections hereof are inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provision hereof.

(f) To the extent Awards issued under the Plan are intended to be exempt from the application of Section 162(m) of the Code, which restricts under certain circumstances the Federal income tax deduction for compensation paid by a public company to named executives in excess of \$1 million per year, the Committee may, without stockholder approval, amend the Plan retroactively or prospectively to the extent it determines necessary in order to comply with any subsequent clarification of Section 162(m) of the Code required to preserve the Company's Federal income tax deduction for compensation paid pursuant to the Plan.

(g) To the extent applicable, the Plan is intended to be compliant with the requirements of Section 409A of the Code, and the Plan and Award Agreements shall be interpreted and administered accordingly, though no guarantee or warranty of such compliance is made to any individual.

17. Effective Date, Term of Plan and Shareholder Approval

This Plan was originally effective as of June 28, 2014 (the "Effective Date"). It is hereby amended and restated, generally effective as of January 1, 2016. Unless the Company determines otherwise, the Plan shall be submitted to the Company's stockholders for Shareholder Approval at such time as may be required by Section 162(m) of the Code and in accordance with the requirements thereof.

March __, 2015

Paul Boynton
Chief Executive Officer
Rayonier Advanced Materials Inc.
1301 Riverplace Blvd.
Jacksonville, FL 32207

Dear Paul:

Reference is made to the stock-settled retention award described in a letter to you dated May 28, 2014 (the "Original Agreement"), approved by the Rayonier Inc. Board of Directors as an incentive in connection with the spin-off and your efforts in your capacity as Chief Executive Officer of Rayonier Advanced Materials Inc. ("RYAM") to enhancing RYAM shareholder value. Terms not defined herein have the meaning set forth in the Original Agreement.

The Board of Directors of RYAM has determined that it is in the best interest of RYAM to convert the stock-settled retention award into a cash award as provided in this letter agreement. As a result, the Original Agreement is hereby amended to provide that the \$4 million retention award provided for thereunder will be payable, subject to satisfaction of the Employment Condition, solely in cash, and such amount, when paid, will be credited with interest at a fixed rate of 3.25%, which was based on the March 21, 2015, WSJ Prime Interest Rate. The cash retention award will be paid to you within ten business days of satisfaction of the Employment Condition. For the avoidance of doubt, you will have no right to Dividend Equivalents or related notional interest upon vesting.

Except as expressly amended in this letter agreement, the Original Agreement will remain in full force and effect. The Original Agreement, as amended hereby, constitutes the entire agreement between the parties with respect to the cash retention award and no other agreement, oral or otherwise, shall be binding upon the parties unless it is in writing and signed by the party against whom enforcement is sought.

* * * *

Please indicate your understanding and agreement with the above by signing this document and returning it to my attention.

By:

Name:

Title:

Jay Posze

SVP, Human Resources

Rayonier Advanced Materials Inc.

ACCEPTED AND AGREED:

Paul Boynton

Date:

RAYONIER ADVANCED MATERIALS INC.

EXECUTIVE SEVERANCE PAY PLAN

Modified Effective January 1, 2016

RAYONIER ADVANCED MATERIALS INC.**EXECUTIVE SEVERANCE PAY PLAN****AMENDED AND RESTATED AS OF JANUARY 1, 2016****1. Purpose**

The Compensation and Management Development Committee of the Board of Directors of Rayonier Advanced Materials Inc. recognizes that, as with many publicly held corporations, there exists the possibility of a Change in Control of the Company. This possibility and the uncertainty it creates may result in the loss or distraction of senior executives of the Company, to the detriment of the Company and its shareholders.

Accordingly, the Committee has determined that appropriate steps should be taken to assure the Company of the continued employment, attention and dedication to duty of its senior executives-including maintaining professionalism, indifference and objectivity in negotiating with a potential acquirer and to seek to ensure the availability of their continued service, notwithstanding the possibility, threat, or occurrence of a Change in Control.

Therefore, in order to fulfill the above purposes, this Amended and Restated Executive Severance Pay Plan is adopted effective as of January 1, 2016 for any Change in Control occurring pursuant to a definitive agreement that is executed and delivered on or after January 1, 2016; provided, however, that for any Change in Control occurring pursuant to a definitive agreement that is executed and delivered prior to January 1, 2016, the terms of this Plan as were in effect on the date of execution and delivery of such definitive agreement shall in all events control.

The definitions of capitalized terms are located in Section 8.

2. Covered Employees

Covered employees under this Plan are those full-time, regular executive salaried employees of the Company, who are identified and designated as Tier I or Tier II on Appendix A attached hereto (each an “Executive”), as such Appendix A may be amended by the Committee from time to time prior to a Change in Control.

An Executive shall cease to be a participant in this Plan only as a result of termination or amendment of this Plan complying with Section 13, or when he or she ceases to be a full time employee of the Company, unless, at the time he or she ceases to be an employee, such Executive is entitled to payment of Separation Benefits as provided in this Plan or there has been an event or occurrence that constitutes Good Reason after a Change in Control that would enable Executive to terminate his or her employment and receive Separation Benefits. An Executive entitled to payment of Separation Benefits under the Plan shall remain a participant in the Plan until the full amount of the Separation Benefits has been paid to Executive.

3. Upon a Qualifying Termination

A. Qualifying Termination. If, within two years following a Change in Control, (a) an Executive terminates his or her full time employment for Good Reason, or (b) the Company terminates an Executive's full time employment, the Executive shall be provided Scheduled Severance Pay and Additional Severance (collectively, "Separation Benefits") in accordance with the terms of this Plan, except that Separation Benefits shall not be payable where Executive:

- is terminated for Cause;
- voluntarily resigns (including normal retirement), other than for Good Reason;
- voluntarily fails to return from an approved leave of absence (including a medical leave of absence); or
- terminates employment as a result of Executive's death or Disability.

Any non-excepted termination is a "Qualifying Termination."

B. Definitions Related to Qualifying Termination. For purposes of this Section 3, the following terms have the indicated definitions:

"Cause" shall mean with respect to any Executive: (i) the willful and continued failure of Executive for a period of ninety (90) days to perform substantially Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Executive by the Board of Directors of the Company that specifically identifies the manner in which the Board believes that Executive has not substantially performed Executive's duties, or (ii) the engaging by Executive in illegal conduct or gross misconduct that is demonstrably injurious to the Company. For purposes of this definition, no act or failure to act on the part of Executive shall be considered "willful" unless it is done, or omitted to be done, by Executive without reasonable belief that Executive's action or omission was in the best interests of the Company. Any act or failure to act based upon authority given pursuant to a resolution duly adopted by the Board of Directors or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and, in the best interests of the Company. An Executive shall be deemed to have engaged in illegal conduct and shall be subject to termination for Cause if Executive has been indicted or charged by any prosecuting agency with the commission of a felony.

"Disability" shall mean an illness or injury that has prevented Executive from performing his or her duties (as they existed immediately prior to the illness or injury) on a full-time basis for 180 consecutive business days.

"Good Reason" shall mean, with respect to any Executive: (i) the assignment to Executive of any duties inconsistent in any respect with Executive's position (including status, offices,

titles and reporting requirements), authority, duties or responsibilities immediately before the Change in Control, or any other action by the Company that results in a significant diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive; (ii) any material reduction in Executive's Base Pay, opportunity to earn annual bonuses or other compensation or employee benefits, other than as a result of an isolated and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by Executive; (iii) the Company's requiring Executive to relocate his or her principal place of business to a place which is more than thirty-five (35) miles from his or her previous principal place of business; or (iv) any purported termination of this Plan otherwise than as expressly permitted by this Plan. Notwithstanding the foregoing, no termination shall be deemed to be for Good Reason unless (1) Executive gives written notice to the Company of the event or condition claimed to constitute Good Reason within ninety (90) days of the first occurrence of such event or condition, (2) the Company fails to cure such event or condition within thirty (30) days of such notice, and (3) Executive gives a notice of termination specifying a date of termination not later than one hundred and twenty (120) days after delivery by Executive of the written notice to the Company of the event or condition claimed to constitute Good Reason; provided further that, no basis for a termination for "Good Reason" shall apply if it would cause any portion of the resulting amounts payable hereunder to cease to be eligible for the short-term deferral exception to the application of Code Section 409A Rules.

4. Plan Benefits

For purposes of this Plan, " Plan Benefits " consist of (i) Scheduled Severance Pay calculated as provided in Section 4A, (ii) Additional Severance calculated as provided in Section 4B and Section 4C, and (iii) the Equity Benefits as provided in Section 4D. The Company shall pay the Scheduled Severance Pay and Additional Severance to Executive in a lump sum not later than ten (10) days after the Effective Date of the Executive's Qualifying Termination; provided that, no portion of the Scheduled Severance Pay or Additional Severance that is payable on account of an Executive's Separation from Service shall be paid earlier than the end of the Separation Delay Period if the payment is on account of such Separation from Service and at that date the Executive is a Specified Employee; provided that, such delay in payment shall not apply to any portion of the Scheduled Severance Pay or Additional Severance that is excepted from such delay under the Code Section 409A Rules as a Short-Term Deferral or Separation Pay. The Company shall pay the Equity Benefits as provided in Section 4D upon the Executive's Qualifying Termination; provided that, no portion of the Equity Benefits that is payable as a result of the Executive's Separation from Service shall be paid prior to the end of the Separation Delay Period if on the date of such Separation from Service the Executive was a Specified Employee; and provided further that, such delay in payment shall not apply to any such amounts that are excepted from such delay under the Code Section 409A Rules as Short-Term Deferrals or Separation Pay.

A. An Executive's " Scheduled Severance Pay " is the product of the Executive's Base Pay times the Executive's Applicable Tier Multiplier.

B. An Executive's "Additional Severance" is the sum of the Executive's Benefits Continuation Amount, calculated as provided in Section 4C below, and the Executive's Bonus Severance, calculated as provided in this Section 4B.

(i) An Executive's "Bonus Severance" is the product of the Executive's Applicable Bonus times the Executive's Applicable Tier Multiplier, together with an additional amount equal to the Executive's Current Pro-rata Bonus.

(1) An Executive's "Applicable Bonus" is the greatest of (A) the highest bonus amount actually paid to the Executive under the Rayonier Advanced Materials annual incentive bonus plan (the "Bonus Plan") in the three year period comprised of the year of the Qualifying Termination and the two immediately preceding calendar years, (B) the Executive's Target Bonus Award under the Bonus Plan for the year in which the Change in Control takes place or (C) the Executive's Target Bonus Award under the Bonus Plan in the year of Qualifying Termination. The Executive's Applicable Bonus shall be determined without regard to any election the Executive may have made to defer receipt of all or any portion thereof as if there had been no deferral election in effect.

(2) An Executive's "Current Pro-rata Bonus" is equal to the product of the Executive's Applicable Bonus times a fraction the numerator of which is the number of months or portion thereof lapsed in the then current year prior to the Qualifying Termination and the denominator of which is twelve.

C. Benefits Continuation Amounts. The Executive's Benefits Continuation Amount is the sum of the Executive's Retirement Savings Adjustment and Other Benefits Adjustment. The Executive's Retirement Savings Adjustment shall be in addition to amounts to which Executive is entitled under the Retirement Plan for Salaried Employees of Rayonier Advanced Materials Inc., the Retirement Plan for Salaried Employees of ITT Corporation, the Rayonier Advanced Materials Investment and Savings Plan for Salaried Employees and the Supplemental Plans (collectively, the "Retirement Plans"), in effect on the Effective Date of the Qualifying Termination. (Capitalized terms in this Section 4C that are not otherwise defined here or elsewhere in this Plan shall have the meaning ascribed to them in the applicable Retirement Plans.)

(i) An Executive's "Retirement Savings Adjustment" is an amount equal to the excess of (X) over (Y), where (X) is the "Equivalent Actuarial Value" of the benefit to which Executive would have been entitled under the terms of the Retirement Plans, without regard to "vesting" thereunder, had Executive accumulated an additional 3 years of eligibility service as a fully vested participant in the Retirement Plans and an additional 3 years of benefit service in all the Retirement Plans other than the Retirement Plan for Salaried Employees of ITT Corporation and the ITT Supplemental Plans and as if Executive were 3 years older, solely for purposes of benefit eligibility and determining the amount of reduction in benefit on account of payment commencing prior to the Executive's normal retirement date, and by

defining Executive's "Final Average Compensation" as equal to the greater of Executive's Base Pay on the Effective Date of Executive's Qualifying Termination or Executive's Final Average Compensation as determined under the terms of the Retirement Plan for Salaried Employees of Rayonier Advanced Materials Inc., and (Y) is the Equivalent Actuarial Value of the amounts otherwise actually payable to Executive under the Retirement Plans. The Equivalent Actuarial Value shall be determined using the same assumptions utilized under the Rayonier Advanced Materials Inc. Excess Benefit Plan upon the date of payment of the Benefits Continuation Amount and based on Executive's age on such date.

Notwithstanding the foregoing, for purposes of calculating the Retirement Savings Adjustment, Executive shall not be required to contribute to the Rayonier Advanced Materials Investment and Savings Plan for Salaried Employees (the "Savings Plan") or the Rayonier Advanced Materials Inc. Excess Savings and Deferred Compensation Plan (the "Excess Plan") as a condition to receiving the Retirement Savings Adjustment nor shall the Company be required to include in the Retirement Savings Adjustment amounts attributable to contributions Executive would have made under the Savings Plan or the Excess Plan had Executive continued to participate in those plans. The Company shall only be obligated to include in the Retirement Savings Adjustment the Company contributions that would have been made under the Savings Plan and the Excess Plan had Executive continued to participate in those plans at the level of compensation and rate of contribution in effect as of the pay date immediately preceding the Effective Date of the Qualifying Termination, without allocating any deemed earnings to said Company contributions.

- (ii) Other Benefits Adjustment. The "Other Benefits Adjustment" is an amount equal to the sum of the Medical Benefits Payment, the Executive Tax Services Payment and the Outplacement Services, determined as provided in subsections (1) - (3) below.

(1) An Executive's "Medical Benefits Payment" is the product of the employer contribution component of the health and welfare plans maintained for the Executive as of the Change in Control under the applicable employee welfare benefit plan (within the meaning of Section 3(1) of ERISA) maintained by the Company for the benefit of the Company's employees at such date, times the Executive's Applicable Tier Multiplier, discounted for present value applying a 4% discount rate.

(2) An Executive's "Executive Tax Services Payment" means \$10,000 in the case of a Tier II Executive and, in the case of a Tier I Executive, the amount that otherwise would be payable for one year under the Company's Senior Executive Tax Plan (or any successor thereto), as applicable to the Executive immediately prior to the Change in Control, together with an amount equal to any Senior Executive Tax Plan benefits accrued but unpaid as of the Effective Date of the Qualifying Termination.

- (3) “ Outplacement Services ” means the cost of outplacement services, the scope and provider of which shall be selected by Executive in his or her sole discretion, for a period not to extend beyond twelve (12) months after the Effective Date of Executive’s Qualifying Termination, in an amount not to exceed \$30,000 in the aggregate.

D. Equity Benefits . Company shall provide to Executive the following additional benefits upon a Qualifying Termination of the Executive, to the extent not actually provided under an Applicable Incentive Stock Plan of the Company (collectively, the “ Equity Benefits ”). Terms used in this Section 4D not otherwise defined in this Plan shall have the meaning assigned in the Applicable Incentive Stock Plan.

- (i) Options . The Company shall cause all of the options to purchase the Common Shares of the Company (“ Stock Options ”) granted to Executive prior to the Qualifying Termination by the Company to become immediately exercisable in full in accordance with the terms of the Applicable Incentive Stock Plan pursuant to which they were issued (provided that no Stock Option shall be exercisable after the termination date of such Stock Option).
- (ii) Restricted Stock . The Company shall (a) cause Executive to immediately vest in all outstanding shares of Restricted Stock that were the subject of an Award under the Applicable Incentive Stock Plan, which Restricted Stock is held by or for the benefit of the Executive immediately prior to the Qualifying Termination without any remaining restrictions other than those imposed by applicable securities laws, and (b) issue stock certificates in respect thereof to Executive without a restrictive legend.
- (iii) Restricted Stock Units . The Company shall cause all unvested Restricted Stock Units granted to Executive prior to the Qualifying Termination by the Company to become immediately vested and to be settled in accordance with the terms of the Applicable Incentive Stock Plan.
- (iv) Performance Share Awards . In the event of a Qualifying Termination, Awards of “ Performance Shares ” under all “ Performance Share Award Programs ” shall be settled as follows: (a) with respect to any Award for which the applicable Performance Period is more than 50% completed, the Performance Period shall be deemed to end as of the date of the Qualifying Termination and the Executive shall receive the greater of (1) the result obtained by applying the share price at the closing of the transaction causing the Change in Control for purposes of measuring Company performance with that of the comparison group at that time under the applicable program, and (2) the Award at 100% of target performance under the applicable program; and (b) with respect to any Award as to which the applicable Performance Period is not more than 50% completed, the Executive shall receive the Award at 100% of target performance under the applicable program.

(v)Coordination with Incentive Stock Plans. Any amounts paid or payable hereunder shall be an offset against amounts otherwise due from the Company under the Applicable Incentive Stock Plan in respect of the same Award covered herein.

(vi)Coordination with Section 409A. If at any time the payment of an Equity Benefit would be deemed to be payable to an Executive as a result of the Executive's Separation from Service, payment of such Equity Benefit shall not be made earlier than the end of the Separation Delay Period where on the date of the Separation from Service the Executive was a Specified Employee; provided that, such delay in payment shall not apply to any portion of the Equity Benefit that is excepted from such delay under the Code Section 409A Rules as a Short-Term Deferral, Separation Pay or otherwise. It is the intention that all payments under this Plan be excluded from penalties under the Code Section 409A Rules.

5. Dispute Resolution

A. In the event any dispute arises between Executive and the Company as to the validity, enforceability and/or interpretation of any right or benefit afforded by this Plan, at Executive's option such dispute shall be resolved by binding arbitration proceedings in accordance with the rules of the American Arbitration Association. The arbitrators shall presume that the rights and/or benefits afforded by this Plan which are in dispute are valid and enforceable and that Executive is entitled to such rights and/or benefits. The Company shall be precluded from asserting that such rights and/or benefits are not valid, binding and enforceable and shall stipulate before such arbitrators that the Company is bound by all the provisions of this Plan. The burden of overcoming by clear and convincing evidence the presumption that Executive is entitled to such rights and/or benefits shall be on the Company. The results of any arbitration shall be conclusive on both parties and shall not be subject to judicial interference or review on any ground whatsoever, including without limitation any claim that the Company was wrongfully induced to enter into this agreement to arbitrate such a dispute.

The Company shall pay the cost of any arbitration proceedings under this Plan. Executive shall be entitled (within two (2) business days of requesting such advance) to an advance of the actual legal fees and expenses incurred by such Executive in connection with such proceedings and Executive shall be obligated to reimburse the Company for such fees and expenses in connection with such arbitration proceedings only if it is finally and specifically determined by the arbitrators that Executive's position in initiating the arbitration was frivolous and completely without merit.

B. In the event Executive is required to defend in any legal action or other proceeding the validity or enforceability of any right or benefit afforded by this Plan, the Company will pay any and all actual legal fees and expenses incurred by such Executive regardless of the outcome of such action and, if requested by Executive, shall (within two business days of such request) advance such expenses to Executive. The Company shall be precluded from asserting in any judicial or other proceeding commenced with respect to any right or benefit afforded by this Plan that such rights and benefits are not valid, binding and enforceable

and shall stipulate in any such proceeding that the Company is bound by all the provisions of this Plan.

- C. Amounts payable by the Company under this Section 5 shall in the first instance be paid by the trustee under the trust established by that certain Trust Agreement, known as the “ Legal Resources Trust”, to the extent such amounts were previously transferred by the Company to the trustee of the Legal Resources Trust.

6. Covenants of Executive

- A. As a condition to the receipt of a designated portion of the Plan Benefits otherwise payable hereunder in cash (such portion, the “ Covenant Amount”) and in consideration thereof, Executive shall be deemed to have made and be bound by the “ Change in Control Covenants” (defined below), which at the request of the Company shall be acknowledged by Executive in a simple declarative statement “I hereby confirm that I am bound by the Change in Control Covenants” attested to in writing by the Executive. The Covenant Amount shall be equal to so much of the identified amount payable in cash as the Company shall designate in a written notice to Executive given within thirty (30) days of the Qualifying Termination; provided that, the Covenant Amount shall not exceed an amount equal to the Base Pay of Executive immediately before the Qualifying Termination multiplied by the Executive’s Applicable Tier Multiplier and determined by the Company in good faith to be reasonable compensation for the Change in Control Covenants. For the sake of clarity, the Covenant Amount shall not be an additional payment beyond the Plan Benefits provided for under this Plan; rather, a portion of the Plan Benefits that the Executive is otherwise entitled to receive hereunder shall be allocated as the Covenant Amount; and provided further that, an Executive who receives any Plan Benefit under this Plan shall make, and will be bound by, the Change in Control Covenants.

- B. The Executive’s “ Change in Control Covenants” are the Non-compete Covenants and the Confidentiality Covenants as set forth in this Section 6B.

(vii) Non-compete Covenants. For a period equal to one year following a Qualifying Termination (the “ Covenant Period”), Executive covenants that Executive shall not, without the prior authorization of the Company (which shall not be unreasonably withheld):

- (1) accept or maintain employment with, or act as a principal of, or advisor or consultant to, or otherwise act as an agent of, any person, firm, corporation or other entity that competes directly with Company immediately before the Qualifying Termination; or
- (2) solicit any client having a relationship with the Company to terminate or reduce in a way materially adverse to the Company any relationship such client has with the Company; or

(3)solicit for employment any individual that was employed by the Company within sixty (60) days preceding the Qualifying Termination and who was employed by the Company during the Covenant Period and within sixty (60) days prior to such solicitation;
or

(4)except as permitted or compelled by law, orally or in writing, disparage, demean or deprecate the Company or any products of the Company.

(viii)Confidentiality Covenants. While employed by the Company following the Change in Control, and for a period of two (2) years following a Qualifying Termination (the “Confidential Information Period”), Executive covenants that Executive shall not disclose or make available to any person or entity any “Confidential Information” (as defined below) and shall not use or cause to be used any Confidential Information for any purpose other than fulfilling Executive’s employment obligations to the Company, without the express prior written authorization of the Company. For this purpose, “Confidential Information” means all information about the Company relating to any of its products or services or any phase of operations, including, without limitation, business plans and strategies, trade secrets, know-how, contracts, financial statements, pricing strategies, costs, customers and potential customers, vendors and potential vendors, marketing and distribution information, business results, software, hardware, databases, processes, procedures, technologies, designs, concepts, ideas, and methods not generally known through legitimate means to any of its competitors with which Executive became acquainted during the term of employment by the Company.

Confidential Information also includes confidential information of third parties made available to the Company on a confidential basis, but does not include information which is generally known to the public without breach by Executive, (b) was given to Executive by a third party without any obligation of confidentiality, or (c) was obtained or independently developed by Executive prior to or following employment by the Company without the use of information that is otherwise Confidential Information.

(ix)Certain Public Company Employment. Executive will not be considered to have violated the covenant in Section 6B(i)(1) above by employment with a public company that competes with the Company as long as no competing division of the public company reports to Employee.

C. Remedies Limited to Equitable Relief. By accepting payment of the Covenant Amount, Executive shall be deemed (a) to have acknowledged that in the event Executive breaches any of the Change in Control Covenants, the damages to the Company would be irreparable and that the Company shall have the right to seek injunctive and/or other equitable relief in any court of competent jurisdiction to enforce the Change in Control Covenants and (b) to have consented to the issuance of a temporary restraining order to maintain the status quo pending the outcome of any proceeding. The foregoing shall be the exclusive remedy of the Company for a breach of the Change in Control Covenants and under no circumstances

shall the Company be entitled to seek return of all or any portion of the Covenant Amount or of any other amount payable hereunder, nor shall the Company be awarded or accept monetary damages for any such breach.

7. Section 280G Cutback

- A. Notwithstanding any provision of this Plan to the contrary, in the event that the payments and other benefits payable under this Plan or otherwise payable to the Executive under any other plan, program, arrangement, or agreement maintained by the Company or one of its affiliates (i) would constitute an “excess parachute payment” (as defined under Code Section 280G) and (ii) would be subject to the excise tax imposed by Section 4999 of the Code, then such payments and other benefits shall be payable either (x) in full or (y) in a reduced amount that would result in no portion of such payments and other benefits being subject to the excise tax imposed under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state, and local income taxes and the excise tax imposed by Section 4999 of the Code, results in the receipt by such Executive on an after-tax basis, of the greatest amount of severance benefits under this Plan or otherwise, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code.
- B. The determination of whether it is necessary to decrease a payment or benefit to be paid under this Plan must be made in good faith by a nationally recognized certified public accounting firm (the “ Accounting Firm ”) selected by the Company. This determination will be conclusive and binding upon the Executive and the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity, or group effecting the Change in Control, the Company shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). The Company shall bear all fees of the Accounting Firm. If a reduction is necessary, the Executive will have the right to designate the particular payment or benefit to be reduced or eliminated so that no portion of the payment or benefit to be paid to the Executive will be an excess parachute payment subject to the deduction limits under Section 280G of the Code and the excise tax under Section 4999. However, no payment of “deferred compensation” (as defined under Treasury Regulation Section 1.409-1(b)(1) after giving effect to the exemptions in Treasury Regulation Sections 1.409-1(b)(3) through (b)(12)) may be reduced to the extent that a reduction can be made to any payment or benefit that is not “deferred compensation.”

8. Definitions

The following terms used in this Plan have the indicated meaning:

“ Accounting Firm ” has the meaning set forth in Section 7.

“ Additional Severance ” with respect to an Executive means the sum of Executive’s Benefits Continuation Amount and Executive’s Bonus Severance as set forth in Section 4B.

“ Applicable Bonus ” has the definition set forth in Section 4B(i)(1).

“ Applicable Incentive Stock Plan ” means the Rayonier Advanced Materials Incentive Stock and Management Bonus Plan, as amended, as the context dictates, as in effect immediately prior to a Change in Control.

“ Applicable Tier Multiplier ” means three (3) for Tier I Executives and two (2) for Tier II Executives.

“ Award ” has the meaning set forth in the Applicable Incentive Stock Plan, as the context requires.

“ Base Pay ” means the annual base salary rate payable to Executive at the Effective Date of the Qualifying Termination, including compensation converted to other benefits under a flexible pay arrangement maintained by the Company or deferred pursuant to a written plan or agreement with the Company, provided that, such annual base salary rate shall in no event be less than the highest annual base salary rate paid to Executive at any time during the twenty-four (24) month period immediately preceding the Change in Control.

“ Benefits Continuation Amount ” with respect to an Executive means the amount calculated as provided in Section 4C and payable upon a Qualifying Termination.

“ Bonus Plan ” has the definition set forth in Section 4B(i)(1).

“ Bonus Severance ” with respect to an Executive means the sum of the amount calculated under Section 4B(i)(1) and the Current Pro-rata Bonus calculated under Section 4B(i)(2), and payable upon a Qualifying Termination.

“ Businesses ” has the definition set forth in Section 6B(i)(1).

“ Cause ” has the definition provided in Section 3B.

“ Change in Control ” has the definition set forth in the Retirement Plan for Salaried Employees of Rayonier Advanced Materials Inc., and as the same may be hereafter amended from time to time prior to the occurrence of a Change in Control.

“ Code ” shall mean the Internal Revenue Code of 1986, as amended from time to time, and “Code Section 409A Rules” shall mean Section 409A of the Code and the final regulations and other IRS guidance promulgated thereunder, as in effect from time to time.

“ Committee ” means the Compensation and Management Development Committee of the Board of Directors of the Company.

“ Company ” means Rayonier Advanced Materials Inc. and any successor to, or assignee of, the business or assets thereof that becomes bound by this Plan as provided in Section 10.

“ Confidentiality Covenants ” with respect to an Executive are the covenants set forth in Section 6B (ii) and for which purpose “Confidential Information” has the definition set forth in Section 6 B(ii).

“ Covenant Amount ” with respect to an Executive is the cash portion of Plan Benefits designated as provided in Section 6A .

“ Covenant Period ” is the period determined under Section 6B(i) during which an Executive is bound by the Non-compete Covenants.

“ Current Pro-rata Bonus ” has the definition set forth in Section 4B(i)(2) .

“ Disability ” has the definition provided in Section 3B .

“ Effective Date of the Qualifying Termination ” is the date the Company selects as the Executive’s last day of active full-time employment.

“ Equity Benefits ” means the Plan Benefits payable upon a Qualifying Termination as provided in Section 4D .

“ Equivalent Actuarial Value ” has the definition applicable under the Retirement Plans.

“ Executive Tax Services Payment ” means the amount calculated in accordance with Section 4C(ii)(2).

“ Excess Plan ” has the definition provided in Section 4C(i) .

“ Executive ” means a person identified on Appendix A, as amended from time to time by the Committee prior to a Change in Control.

“ Final Average Compensation ” has the meaning applicable under the Retirement Plans.

“ Good Reason ” has the definition provided in Section 3B . “ Legal Resources Trust ” has the definition provided in Section 5C .

“ Medical Benefits Payment ” means the amount calculated in accordance with Section 4C(ii)(1) .

“ Non-compete Covenants ” with respect to an Executive are the covenants set forth in Section 6(B)(i).

“ Other Benefits Adjustment ” has the definition in Section 4C(ii) .

“ Outplacement Services ” has the definition set forth in Section 4C(ii)(3) .

“ Performance Shares ” and “ Performance Share Award Programs ” mean the right to receive contingent performance shares or performance shares (or other Awards) to be made at the end of a performance period under programs adopted by the Committee under Section 6 of the Applicable Incentive Stock Plan under which such program was authorized, upon attainment of the comparative performance measures provided for in such program.

“ Plan Benefits ” has the definition provided in Section 4 .

“ Plan Change ” has the definition set forth in Section 13.

“ Plan ” means this Executive Severance Pay Plan effective as provided in Section 17.

“ Qualifying Termination ” has the definition provided in Section 3A.

“ Retirement Plans ” has the definition provided in Section 4C.

“ Retirement Savings Adjustment ” with respect to an Executive means the amount calculated in accordance with Section 4C(i), for which purpose “normal retirement date” means the first of the month that coincides with or follows Executive’s 65th birthday.

“ Savings Plan ” has the definition set forth in Section 4C(i).

“ Scheduled Severance Pay ” with respect to an Executive means the amount calculated as provided in Section 4A and payable upon a Qualifying Termination.

“ Separation Benefits ” as provided in Section 3A means with respect to an Executive means the sum of the Executive’s Scheduled Severance Pay and Additional Severance payable in respect of a Qualifying Termination.

“ Separation Delay Period ” shall mean the six month period following the date of an Executive’s Separation from Service (or such other applicable period as may be provided for by Section 409A(a)(2)(B)(i) of the Code as in effect at the time), or earlier upon the death of the Executive, such that any payment delayed during the Separation Delay Period is to be paid on the first business day of the seventh month following the Separation from Service or, if earlier, such Executive’s death.

“ Separation from Service ” and “ Separation Pay ” and “ Short-Term Deferral ” and “ Specified Employee ” shall have the respective meanings assigned such terms under the Code Section 409A Rules.

“ Severance Trust ” has the definition provided in Section 11.

“ Supplemental Plans ” means any excess benefit plan, within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder (“ERISA”), or any supplemental executive retirement plan or other employee pension benefit plan, within the meaning of Section 3(2) of ERISA, not intended to be qualified under Section 401 (a) of the Code, maintained by the Company or by ITT Corporation, subject to the terms and conditions of such plans, in which the Executive is entitled to benefits by virtue of his employment with the Company or prior employment by ITT Corporation.

“ Target Bonus Award ” means the standard bonus target percentages of base salaries, as defined under the Bonus Plan for the respective executive salary grades as determined pursuant to Company base salary compensation schedules in effect for eligible executives at a 100 percent performance factor as of December 31 of the year in which the Change in Control takes place.

“ Tier I ” or “ Tier II ” means the designation assigned to an Executive on Appendix A as adopted and in effect immediately prior to a Change in Control.

9. Release

No Separation Benefits will be provided under this Plan unless Executive executes and delivers to the Company a mutual release, satisfactory to the Company, in which Executive discharges and releases the Company and the Company’s directors, officers, employees, and employee benefit plans from all claims (other than for benefits, to which Executive is entitled under this Plan or any Company employee benefit plan) arising out of Executive’s employment or termination of employment and the Company discharges and releases Executive from any and all claims arising out of Executive’s employment or termination of employment with the Company.

10. Successor to Company

This Plan shall bind any successor of the Company, its assets, or its businesses (whether direct or indirect, by purchase, merger, consolidation, or otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place.

In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Plan, the Company shall require such successor expressly and unconditionally to assume and agree to perform the Company’s obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

11. Administration of Plan/Coordination with Severance Trust

The Company is the Named Fiduciary for the Plan under ERISA. The Committee is the Plan Administrator, which shall have the exclusive right to interpret this Plan, adopt any rules and regulations for carrying out this Plan as may be appropriate and, except as otherwise provided in this Plan, decide any and all matters arising under this Plan. All interpretations and decisions by the Committee shall be final, conclusive and binding on all parties affected thereby.

Amounts payable by the Company under this Plan (except under Section 5) may be made by direction of the Company to the trustee under the trust established by that certain Trust Agreement for the Rayonier Advanced Materials Inc. Supplemental Senior Executive Pay Plan (the “ Severance Trust ”), to the extent such amounts were previously transferred by the Company to the trustee of the Severance Trust, but shall be deemed to have been paid only upon receipt by the Executive.

12. Claims Procedure

If an employee or former employee makes a written request alleging a right to receive benefits under this Plan or alleging a right to receive an adjustment in benefits being paid under the Plan, the Company shall treat it as a claim for benefit. All claims for benefit under the Plan shall be sent to the Company’s Senior Vice President, Human Resources, or such other officer as may be designated by the Committee, and must be received within thirty (30) days after termination of

employment. If the Company determines that any individual who has claimed a right to receive benefits, or different benefits, under the Plan is not entitled to receive all or any part of the benefits claimed, it will inform the claimant in writing of its determination and the reasons therefor in terms calculated to be understood by the claimant. The notice will be sent within ninety (90) days of the claim unless the Company determines additional time, not exceeding ninety (90) days, is needed. The notice shall make specific reference to the pertinent Plan provisions on which the denial is based, and describe any additional material or information as necessary. Such notice shall, in addition, inform the claimant what procedure the claimant should follow to take advantage of the review procedures set forth below in the event the claimant desires to contest the denial of the claim. The claimant may within ninety (90) days thereafter submit in writing to the Company a notice that the claimant contests the denial of his or her claim by the Company and desires a further review. The Company shall within sixty (60) days thereafter review the claim and authorize the claimant to appear personally and review pertinent documents and submit issues and comments relating to the claim to the persons responsible for making the determination on behalf of the Company. The Company will render its final decision with specific reasons therefor in writing and will transmit it to the claimant within sixty (60) days of the written request for review, unless the Company determines additional time, not exceeding sixty (60) days, is needed, and so notifies the employee. If the Company fails to respond to a claim filed in accordance with the foregoing within sixty (60) days or any such extended period, the Company shall be deemed to have denied the claim. If the appeal is denied, the Committee's written notification to the claimant shall set forth: (1) the specific reason for the adverse determination; (2) specific reference to pertinent provisions on which the Committee based its adverse determination; (3) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies, of, all documents, records and other information relevant to the claimant's claim for benefits; and (4) a statement that the claimant has a right to bring a civil action under Section 502(a) of ERISA.

13. Termination or Amendment

The Committee or the Company's Board of Directors may amend or terminate this Plan (a "Plan Change") at any time, except that no such Plan Change may reduce or adversely affect Separation Benefits for any Executive who has a Qualifying Termination within two years of the effective date of such Plan Change provided that Executive was a Covered Employee under this Plan on the date of the Plan Change; provided that (a) a change in Appendix A prior to a Change in Control shall not be deemed to be a Plan Change and (b) an Executive by accepting any benefit under this Plan that was introduced prior to a Change in Control and not available prior to the Plan Change, shall be deemed to have waived the two-year limitation. Notwithstanding the foregoing, for two years after the occurrence of a Change in Control event, this Plan may not be terminated or amended until after all Executives who become entitled to any payments hereunder shall have received such payments in full. Any extension, amendment, or termination of this Plan in accordance with the foregoing shall be made in accordance with the Company's charter and bylaws and applicable law, and shall be evidenced by a written instrument signed by a duly authorized officer of the Company, certifying that such action has been taken.

14. Plan Supersedes Prior Plans

This Plan supersedes and replaces all prior severance policies, plans, or practices maintained by the Company with respect to all Covered Employees other than individualized written agreements executed by the Company and Executive.

15. Unfunded Plan Status

This Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, within the meaning of Section 401 of ERISA. All payments pursuant to the Plan shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Executive or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan. Notwithstanding the foregoing, the Company may but shall not be obligated to create one or more grantor trusts, such as the Legal Resources Trust and the Severance Trust, the assets of which are subject to the claims of the Company's creditors, to assist it in accumulating funds to pay its obligations under the Plan.

16. Miscellaneous

Except as provided in this Plan, Executive shall not be entitled to any notice of termination or pay in lieu thereof.

In cases where Severance Pay is provided under this Plan, pay in lieu of any unused current year vacation entitlement will be paid to Executive in a lump sum.

This Plan is not a contract of employment, does not guarantee any Executive employment for any specified period and does not limit the right of the Company to terminate the employment of any Executive at any time.

The section headings contained in this Plan are included solely for convenience of reference and shall not in any way affect the meaning of any provision of this Plan.

If, for any reason, any one or more of the provisions or part of a provision contained in this Plan shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Plan not held so invalid, illegal or unenforceable, and each other provision or part of a provision shall to the full extent consistent with law remain in full force and effect.

17. Adoption Date and Amendment

This Plan was first adopted effective June 28, 2014. On March 20, 2015, changes to the Plan were approved by the Committee and adopted effective as of January 1, 2016 for any Change in Control occurring pursuant to a definitive agreement that is executed and delivered on or after January 1, 2016; provided, however, that for any Change in Control occurring pursuant to a definitive agreement that is executed and delivered prior to January 1, 2016, the terms of this Plan as were in effect on the date of execution and delivery of such definitive agreement shall in all events control.

CERTIFICATION

I, Paul G. Boynton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rayonier Advanced Materials Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2015

/s/ P AUL G. B OYNTON

Paul G. Boynton
 Chairman, President and Chief Executive Officer
 Rayonier Advanced Materials Inc.

CERTIFICATION

I, Frank A. Ruperto, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rayonier Advanced Materials Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2015

/s/ FRANK A. R UPERTO

Frank A. Ruperto
*Chief Financial Officer and
 Senior Vice President, Finance and Strategy
 Rayonier Advanced Materials Inc.*

CERTIFICATION

The undersigned hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to our knowledge:

1. The quarterly report on Form 10-Q of Rayonier Advanced Materials Inc. (the "Company") for the period ended March 28, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 1, 2015

/s/ P AUL G. B OYNTON

Paul G. Boynton
Chairman, President and Chief Executive Officer

Rayonier Advanced Materials Inc.

/s/ F RANK A. R UPERTO

Frank A. Ruperto
Chief Financial Officer and
Senior Vice President, Finance and Strategy

Rayonier Advanced Materials Inc.