

Merette Jean Francois  
 Form 4  
 June 17, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Merette Jean Francois

(Last) (First) (Middle)

C/O DOMTAR CORPORATION, 395 DE MAISONNEUVE BOULEVARD WEST

(Street)

MONTREAL, A8 H3A 1L6

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 Domtar CORP [UFS]

3. Date of Earliest Transaction (Month/Day/Year)  
 06/15/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 SVP, Forest Products

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	06/15/2010		M	2,000	A	12.6	2,658 <sup>(2)</sup>	D
						<u>(1)</u>		
Common Stock	06/15/2010		S	2,000 <sup>(3)</sup>	D	\$ 60	658 <sup>(2)</sup>	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee's stock option (right to buy)	\$ 12.6 <sup>(1)</sup>	06/15/2010		M	1,000 <sup>(4)</sup>	04/08/2010	04/08/2016	Common Stock	1,000
Employee's stock option (right to buy)	\$ 12.6 <sup>(1)</sup>	06/15/2010		M	1,000 <sup>(5)</sup>	04/08/2010	04/08/2016	Common Stock	1,000

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

Merette Jean Francois  
C/O DOMTAR CORPORATION  
395 DE MAISONNEUVE BOULEVARD WEST  
MONTREAL, A8 H3A 1L6

SVP, Forest Products

## Signatures

Razvan L. Theodoru, Attorney-in-fact for Mr. M??rette

06/17/2010

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The price has been adjusted to reflect the reverse stock split for a ratio of 1-for-12 of the issuer's common shares, which became effective June 10, 2009.
- (2) Includes restricted stock units and performance conditioned restricted stock units.
- (3)

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Shares being sold represent exercised stock options which are an integral part of Domtar Corporation's long-term incentive compensation program.

(4) On April 8, 2009, a grant of regular stock options was awarded to members of the Management Committee. These stock options vest in three equal annual installments on the first three anniversaries of the grant date. One third of the regular stock options vested as of April 8, 2010.

(5) On April 8, 2009, a grant of performance conditioned stock options was awarded to members of the Management Committee. These stock options vest in three equal annual installments on the first three anniversaries of the grant date. One third of the performance conditioned stock options vested as of April 8, 2010.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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