

Merette Jean Francois
 Form 4
 July 02, 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)
 05/10/2010

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)
 Former 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)
			Code	V	Amount or Price		
Common Stock	05/10/2010 ⁽¹⁾		A		1,075 ⁽¹⁾	A	(1) 1,732 ⁽³⁾ D
Common Stock	06/30/2010		M		2,250 ⁽²⁾	A	(2) 3,982 ⁽³⁾ D
Common Stock	06/30/2010		F		1,800 ⁽⁴⁾	D	\$ 49.15 2,182 ⁽³⁾ D

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

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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 Acquired (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)	8. Pr Deriv Secur (Instr. 3 and 4)
Restricted Stock Units	(5)	06/30/2010		M	2,250 (2)	(2) (2)	Common Stock	2,250

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				Former SVP Forest Products

Signatures

Razvan L. Theodoru, Attorney-in-fact for Mr. Merette

07/02/2010

**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) Grant of Restricted Stock Units (RSUs). Each RSU is the economic equivalent of one share of Domtar Corporation Common Stock. These RSUs represent 25% of the Short-Term Incentive Program payout for 2009.
- (2) Settlement of Restricted Stock Units effective as of the date of closing the sale of Domtar Corporation's Forest Product Business to EACOM Timber Corporation on June 30, 2010.
- (3) Includes restricted stock units and performance conditioned restricted stock units.
- (4) Payment of tax liability by withholding securities incident to the settlement of restricted stock units.
- (5) Each Restricted Stock Unit is the economic equivalent of one share of Domtar Corporation Common Stock.

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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