Edwards Michael
Form 4
August 09, 2010

# FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION
### Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

### 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 [*] <br> Edwards Michael | 2. Issuer Name **and** Ticker or Trading Symbol <br> Domtar CORP [UFS] | 5. Relationship of Reporting Person(s) to Issuer <br><br> (Check all applicable) |
|---|---|---|
| (Last) (First) (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) <br> 08/06/2010 | _____ Director _____ 10% Owner <br> __X__ Officer (give title _____ Other (specify below) below) <br> SVP Pulp & Paper Manufacturing |
| C/O DOMTAR CORPORATION, 395 DE MAISONNEUVE BOULEVARD WEST | | |
| (Street) | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) <br> _X_ Form filed by One Reporting Person <br> ___ Form filed by More than One Reporting Person |
| MONTREAL, A8 H3A 1L6 | | |
| (City) (State) (Zip) | | |

### 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 Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 08/06/2010 | | M | | 6,832 | A | $ 12.6 (3) | 9,425.526 (2) | D | |
| Common Stock | 08/06/2010 | | S | | 8,172 (1) (4) | D | $ 61.53 (7) | 1,253.526 (2) | D | |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control

SEC 1474
(9-02)

1

**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 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) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | Code | V | (A) | (D) | | | | |
| Employee Stock Option (right to buy) | $ 12.6 (3) | 08/06/2010 | | M | | 3,416 (5) | | 04/08/2010 | 04/08/2016 | Common Stock | 3,416 |
| Employee Stock Option (right to buy) | $ 12.6 (3) | 08/06/2010 | | M | | 3,416 (6) | | 04/08/2010 | 04/08/2016 | Common Stock | 3,416 |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Edwards Michael<br>C/O DOMTAR CORPORATION<br>395 DE MAISONNEUVE BOULEVARD WEST<br>MONTREAL, A8 H3A 1L6 | | | SVP Pulp & Paper Manufacturing | |

# Signatures

| | |
|---|---|
| Razvan L. Theodoru, Attorney-in-fact for Mr. Edwards | 08/09/2010 |
| **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 reporting person's sale of common stock reported herein was matchable under Section 16(b) of the Securities Exchange Act, to the extent of 6.5 shares, with the reporting person's acquisition of 6.5 shares of common stock at a price of $49.00 per share on July 16, 2010 pursuant to an automatic dividend reinvestment program. The reporting person has agreed to pay on settlement of the sale to the issuer the

full amount of the profit realized in connection with the short-swing transaction ($84.57).

(2)  Includes restricted stock units and performance conditioned restricted stock units.

(3)  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.

(4)  Of the shares being sold, 6832 represent exercised stock options which are an integral part of Domtar Corporation's long-term incentive compensation program.

(5)  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.

(6)  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.

(7)  This transaction was executed in multiple trades at prices ranging from $61.16 to $62.01. The price reported above is the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Explanation of Responses:                                                                                                3