

Williams John David
 Form 4
 May 11, 2012

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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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 *
 Williams John David

(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)
 05/10/2012

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)
 President and CEO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price (A) or (D)		
Common Stock	05/09/2012		G		297	D	
Common Stock	05/10/2012		M		33,722	A	
Common Stock	05/10/2012		M		6,586	A	
Common Stock	05/10/2012		M		2,682.1249	A	
	05/10/2012		F		1,294 (6)	D	

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Common Stock					\$ 82.46		
Common Stock	05/10/2012		D	0.1249 ⁽¹¹⁾	D	\$ 82.46	54,924 D
Common Stock	05/10/2012		S	45,131 ⁽²⁾	D	\$ 83.03 ⁽³⁾	9,793 D
Common Stock	05/10/2012		S	8,405 ⁽²⁾	D	\$ 83.53 ⁽¹²⁾	1,388 D
Common Stock	05/11/2012		S	1,388 ⁽²⁾	D	\$ 80.94 ⁽¹³⁾	0 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)

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 Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Employee Stock Option (right to buy)	\$ 12.6 ⁽¹⁾	05/10/2012		M	16,861 ⁽⁴⁾	04/08/2010 ⁽⁴⁾	04/08/2016	Common Stock
Employee Stock Option (right to buy)	\$ 12.6 ⁽¹⁾	05/10/2012		M	16,861 ⁽⁵⁾	04/08/2010 ⁽⁵⁾	04/08/2016	Common Stock
Employee Stock Option (Right to buy)	\$ 66.81	05/10/2012		M	6,586 ⁽⁷⁾	05/10/2011 ⁽⁷⁾	05/10/2017	Common Stock

Restricted Stock Units	(8)	05/10/2012	M	2,682.1249	(9)	(9)	Common Stock
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Williams John David C/O DOMTAR CORPORATION 395 DE MAISONNEUVE BOULEVARD WEST MONTREAL, A8 H3A 1L6	X		President and CEO	

Signatures

Razvan L. Theodoru, Attorney-in-fact for Mr. Williams	05/11/2012
**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) Shares being sold represent exercised stock options and settled Restricted Stock Units which are an integral part of Domtar Corporation's long-term incentive compensation program.
 - (3) This transaction was executed in multiple trades at prices ranging from \$82.40 to \$83.40. 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.
 - (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. These regular stock options were all vested as of April 8, 2012.
 - (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. These performance conditioned stock options were all vested as of April 8, 2012.
 - (6) Payment of tax liability by withholding securities incident to the settlement of restricted stock units (RSUs).
 - (7) On May 10, 2010, a grant of performance 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. Two thirds of the performance stock options vested as of May 10, 2012.
 - (8) Each Restricted Stock Unit is the economic equivalent of one share of Domtar Corporation Common Stock.
 - (9) These Restricted Stock Units vest in 3 equal annual installments beginning on May 10, 2011.
 - (10) This transaction represents the settlement of vested restricted stock units in shares of common stock.
 - (11) Fractional restricted stock units settled in cash.
 - (12) This transaction was executed in multiple trades at prices ranging from \$83.41 to \$83.69. 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.
 - (13) This transaction was executed in multiple trades at prices ranging from \$80.93 to \$80.95. 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

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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.

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