



## NOTICE TO MEMBERS

No. 2007 - 021

March 2, 2007

### FINAL CONTRACT ADJUSTMENT

**Domtar Inc. (DTC) – Weyerhaeuser Company (WY)  
Plan of arrangement**

**THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.**

The Bourse and CDCC wish to inform you that on February 26, 2007 the shareholders of Domtar Inc. approved the plan of arrangement for the proposed combination of Weyerhaeuser Company fine paper operations with Domtar Inc. to form Domtar Corporation. In addition, on February 27, 2007, the Quebec Superior Court issued a final order approving the plan. Except for the final approval of the listings of the new company's common shares, this order completes all regulatory approvals required for the completion of the transaction scheduled for the week of March 5, 2007. Under the plan of arrangement, each existing Domtar Inc. (TSX: DTC) common share will be automatically exchanged for one common share of the new company, Domtar Corporation (TSX: UFS). It is expected that the common shares of Domtar Inc. (TSX: DTC) will be delisted from the Toronto Stock Exchange during the week of March 5, 2007.

The Bourse and CDCC will adjust Domtar option contracts pursuant to the terms of the plan of arrangement. Hence, the new deliverable for option contracts on Domtar will consist of 100 shares of the new company, Domtar Corporation.

### **CDCC - adjustment details:**

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all Domtar options will be adjusted as follows:

- **EFFECTIVE DATE:**                      **On or about March 5, 2007, at the opening of markets**
- **OPTION SYMBOLS:**                      **DTC becomes UFS**
- **NUMBER OF CONTRACTS:**      **No change**
- **MULTIPLIER:**                              **100**

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- **NEW DELIVERABLE PER CONTRACT:**      **100 shares of the new company, Domtar Corporation**
- **POSITION AND EXERCISE LIMITS:**      **Position and exercise Limits will remain unchanged at 75,000 contracts.**
- **CUSIP :**      **257559104**

CDCC will not adjust any outstanding escrow receipts. Members who want to maintain margin relief for their entire positions will be required to deposit additional escrow receipts.

### **Bourse de Montréal Inc. adjustment details:**

It is important to note that on the effective date mentioned above, all open orders on this options class **will not be automatically modified** to reflect the plan of arrangement and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of DTC option classes will be transferred to UFS option classes representing the new deliverable.

Domtar Inc.		
Actual Strike Prices	Actual Class Symbol	New Class Symbol
\$ 5.00	DTC	UFS
\$ 6.00	DTC	UFS
\$ 7.00	DTC	UFS
\$ 8.00	DTC	UFS
\$ 9.00	DTC	UFS
\$ 10.00	DTC	UFS
\$ 12.00	DTC	UFS
\$ 14.00	DTC	UFS

**PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THESE OPTION CLASSES ARE ADVISED OF THIS NOTICE.**

For further information, please contact Louise Leclair, Trading Systems Analyst, Market Operations, Bourse de Montréal Inc. at (514) 871-3526. CDCC Clearing Members may contact the CDCC Operations Department.

Michel Favreau  
Senior Vice President and Chief Clearing Officer