

## Headnote

Mutual Reliance Review System for Exemptive Relief Applications -- application for an order that the issuer is not a reporting issuer.

## Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

March 16, 2007

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, MANITOBA,  
ONTARIO, QUÉBEC, NEW BRUNSWICK,  
NOVA SCOTIA, NEWFOUNDLAND AND  
LABRADOR (the "Jurisdictions")**

**AND**

**IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATION**

**AND**

**IN THE MATTER OF  
4388216 CANADA INC. ("Offerco")**

**MRRS DECISION DOCUMENT**

## Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from Domtar Inc. ("Domtar") with respect to Offerco for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Offerco be deemed to have ceased to be a reporting issuer (or the equivalent) in the Jurisdictions (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Autorité des marchés financiers is the principal regulator for Domtar; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

## Interpretation

Defined terms contained in National Instrument 14-101 -- *Definitions* have the same meanings in this decision unless they are defined in this decision.

## **Representations**

This decision is based on the following facts represented by Domtar:

1. Pursuant to a transaction agreement dated as of August 22, 2006 (as subsequently amended), Domtar and Weyerhaeuser Company ("Weyerhaeuser") agreed to combine Domtar with the Weyerhaeuser's fine paper business (the "Transaction").
2. The Transaction was effected pursuant to a plan of arrangement (the "Arrangement") under Section 192 of the *Canada Business Corporations Act* and was subject to applicable shareholder, regulatory and court approval.
3. Upon consummation of the Arrangement on March 7, 2007, all outstanding Domtar common shares were automatically exchanged, on a one-for-one basis, for Class B common shares of Offerco.
4. The Class B common shares of Offerco were listed and posted for trading on the Toronto Stock Exchange throughout the time they were issued and outstanding.
5. Under the Arrangement, such Class B common shares of Offerco, upon their issuance, were immediately transferred to Offerco's parent company, Domtar (Canada) Paper Inc. ("Newco Canada Exchangeco"), in exchange for shares of common stock of Domtar Corporation ("Spinco") or exchangeable shares (that are exchangeable at any time into shares of Spinco common stock on a one-for-one basis) of Newco Canada Exchangeco, in each case on a one-for-one basis.
6. Following such exchanges, each Class B common share of Offerco held by Newco Canada Exchangeco were converted into one Class A common share of Offerco, and all of the Class A common shares of Offerco are held by Newco Canada Exchangeco. Further details of the Arrangement are set out in the Domtar's management information circular dated January 27, 2007 and filed on the System for electronic document analysis and retrieval (SEDAR).
7. Pursuant to the Arrangement, Offerco became a reporting issuer (or the equivalent) in the Jurisdictions.
8. The outstanding securities of Offerco, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the Jurisdictions in Canada and fewer than 51 securityholders in total in Canada.

9. None of Offerco's securities are traded on a marketplace as defined in National Instrument 21-101 -- Marketplace Operation.

10. Offerco is not in default of any of its obligations under the Legislation as a reporting issuer.

11. The application has been filed by Domtar on behalf of Offerco in each of the Jurisdictions in which Offerco is currently a reporting issuer (or the equivalent) for relief to cease to be a reporting issuer in the Jurisdictions.

## **Decision**

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Louis Auger"  
Manager of the Corporate  
Financing Department