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CIRCULAR
March 9, 2007

ANTICIPATED CONTRACT ADJUSTMENT

ACE Aviation Holdings Inc.

Special distribution

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 hereby inform you that ACE Aviation Holdings Inc. (ACE) announced on March 2, 2007 the terms of a second special distribution of units of Aeroplan Income Fund (Aeroplan) and Jazz Air Income Fund (Jazz Air) to its shareholders under the statutory arrangement approved by ACE shareholders at a special meeting held on October 5, 2006.

ACE shareholders as of the close of business on March 14, 2007 will be entitled to receive a non-cash distribution of approximately 0.177 units of Aeroplan and of approximately 0.219 units of Jazz Air per Class A variable voting share, such distribution representing approximately 14.85% of ACE closing price on March 1, 2007. The Bourse and CDCC will adjust the ACE and ACH contract options as follows:

- The adjusted deliverable of ACE options will be composed as follows:
- 100 ACE Class A variable voting shares;
 - 17 Aeroplan units;
 - 21 Jazz Air units;
 - Cdn \$13.90 in cash in lieu of the remaining 0.7 Aeroplan fractional unit; and
 - Cdn \$7.23 in cash in lieu of the remaining 0.9 Jazz Air fractional unit.

Under the terms of this second special distribution, the Bourse and CDCC will also modify the deliverable for ACH option classes which had already been adjusted to reflect the first special distribution paid in January 2007.

Circular no.: 041-07

➤ Hence, the new deliverable for option contracts on ACH will consist of:

- 100 ACE Class A variable voting shares;
- 44 Aeroplan units;
- Cdn \$3.42 in cash in lieu of the remaining 0.2 Aeroplan fractional unit from the January 10, 2007 special distribution;
- 17 Aeroplan units;
- 21 Jazz Air units;
- Cdn \$13.90 in cash in lieu of the remaining 0.7 Aeroplan fractional unit; and
- Cdn \$7.23 in cash in lieu of the remaining 0.9 Jazz Air fractional unit.

Special distribution - adjustment details:

- EX-DATE: March 12, 2007
- RECORD DATE: March 14, 2007
- PAYABLE DATE: On or about March 28, 2007

CDCC - adjustment details:

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

- EFFECTIVE DATE: March 12, 2007
- NEW OPTION SYMBOL: ACJ
- NUMBER OF CONTRACTS: No change
- MULTIPLIER: 100
- NEW DELIVERABLE PER CONTRACT:
 - 1- 100 ACE Class A variable voting shares
 - 2- 17 Aeroplan units
 - 3- 21 Jazz Air units
 - 4- Cash amount of Cdn \$13.90 in lieu of the remaining 0.7 Aeroplan fractional unit (corresponding to the Aeroplan unit closing price of Cdn \$19.85 as of March 1, 2007 multiplied by 0.70).
 - 5- Cash amount of Cdn \$7.23 in lieu of the remaining 0.9 Jazz Air fractional unit (corresponding to the Jazz Air unit closing price of \$8.04 as of March 1, 2007 multiplied by 0.90).

The cash portion of the deliverable (items 4 and 5 above) will remain permanently fixed as part of the option deliverable and will not vary with price changes of securities also included in the deliverable.

- POSITION AND EXERCISE LIMITS: Position and Exercise Limits will remain unchanged at 60,000 contracts
- CUSIP: NOTACUSIP

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

- EFFECTIVE DATE: March 12, 2007
- OPTION SYMBOL: ACH
- NUMBER OF CONTRACTS: No change
- MULTIPLIER: 100
- NEW DELIVERABLE PER CONTRACT:
 - 1- 100 ACE Class A variable voting shares
 - 2- 44 Aeroplan units
 - 3- 17 Aeroplan units
 - 4- 21 Jazz Air units
 - 5- Cash amount of Cdn \$3.42 in lieu of the remaining 0.2 Aeroplan fractional unit from the January 10, 2007 special distribution (corresponding to the Aeroplan unit of \$17.12 closing price as of December 27, 2006 multiplied by 0.20).
 - 6- Cash amount of Cdn \$13.90 in lieu of the remaining 0.7 Aeroplan fractional unit (corresponding to the Aeroplan unit closing price of \$19.85 as of March 1, 2007 multiplied by 0.70).
 - 7- Cash amount of \$7.23 Cdn in lieu of the remaining fractional 0.9 Jazz Air unit (corresponding to Jazz Air unit closing price of \$8.04 as of March 1, 2007 multiplied by 0.90).

The cash portion (items 5, 6 and 7 above) of the deliverable will remain permanently fixed as part of the option deliverable, and will not vary with price changes of securities also included in the deliverable.

- POSITION AND EXERCISE LIMITS: Position and Exercise Limits will remain unchanged at 60,000 contracts
- CUSIP: NOTACUSIP

The Bourse - 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 the ACE options class with open interest will be transferred to the ACJ class representing the new deliverable. Please note that only closing transactions will be permitted on the ACH and ACJ adjusted class.

At the opening of business on the effective date, the Bourse will list the new ACJ options class as indicated below:

ACE Aviation Holdings Inc.		
Actual Strike Prices	Actual Class Symbol	New Class Symbol after the distribution
\$ 28.00	ACE	ACJ
\$ 30.00	ACE	ACJ
\$ 32.00	ACE	ACJ
\$ 34.00	ACE	ACJ
\$ 36.00	ACE	ACJ
\$ 38.00	ACE	ACJ
\$ 40.00	ACE	ACJ
\$ 42.00	ACE	ACJ

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS 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.

Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary