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CIRCULAR
May 17, 2007

FINAL CONTRACT ADJUSTMENT
ACE Aviation Holdings Inc. (ACE)
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 May 11, 2007, the terms of a third special distribution of Aeroplan Income Fund units (Aeroplan unit(s)) and Jazz Air Income Fund units (Jazz Air unit(s)) to its shareholders under the statutory arrangement approved by ACE's shareholders at the special meeting held on October 5, 2006.

At the close of business on May 24, 2007, ACE shareholders will be entitled to receive a non-cash distribution of approximately 0.157 Aeroplan unit and of approximately 0.104 Jazz Air unit per Class A variable voting share which represents approximately 13.72% of ACE's closing price on May 10, 2007.

Under the terms of this third special distribution, the Bourse and CDCC will define a new deliverable for ACJ's options class, which is adjusted to reflect the second special distribution paid in March 2007.

Circular no.: 088-2007

- Hence, the adjusted deliverable of ACJ (symbol unchanged) options will be composed of:
- 100 ACE Class A variable voting shares;
 - 17 Aeroplan units;
 - 21 Jazz Air units;
 - Cdn\$13.90 in cash in lieu of 0.7 Aeroplan unit from the March 12, 2007; distribution;
 - Cdn\$7.23 in cash in lieu of 0.9 Jazz Air unit from the March 12, 2007 distribution;
 - **15 Aeroplan units;**
 - **10 Jazz Air units;**
 - **Cdn\$14.10 in cash in lieu of 0.7 Aeroplan unit;**
 - **Cdn\$3.33 in cash in lieu of 0.4 Jazz Air unit;**

The cash portion of the deliverable remains permanently fixed as part of the option deliverable, and will not vary with price changes of securities also included in the deliverable.

Special distribution - adjustment details:

- **EX-DATE:** May 22, 2007
- **RECORD DATE:** May 24, 2007
- **PAYABLE DATE:** On or about June 7, 2007
- **EFFECTIVE DATE:** May 22, 2007

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.

Caroline Bilodeau
Legal Counsel,
General Secretariat and Legal Affairs