

Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500-SF.**

OMB Nos. 1210-0110
1210-0089

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A** This return/report is for: a single-employer plan a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
- B** This return/report is the first return/report the final return/report
 an amended return/report a short plan year return/report (less than 12 months)
- C** Check box if filing under: Form 5558 automatic extension DFVC program
 special extension (enter description)
- D** If the plan is a collectively-bargained plan, check here ▶
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here ▶

Part II Basic Plan Information—enter all requested information

1a Name of plan RETIREMENT INCOME PLAN FOR EMPLOYEES OF ICELANDAIR EMPLOYED WITHIN THE CONTINENTAL LIMITS OF THE U.S.		1b Three-digit plan number (PN) ▶	001
		1c Effective date of plan	08/01/1959
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) ICELANDAIR 1 BATTERYMARCH PARK, SUITE 306 QUINCY, MA 02169		2b Employer Identification Number (EIN)	13-3057882
		2c Sponsor's telephone number	800-223-5500
		2d Business code (see instructions)	481000
3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor.		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report. a Sponsor's name c Plan Name		4b EIN	
		4d PN	
5a Total number of participants at the beginning of the plan year	5a		29
b Total number of participants at the end of the plan year	5b		26
c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	5c(1)		
c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c(2)		
d(1) Total number of active participants at the beginning of the plan year	5d(1)		4
d(2) Total number of active participants at the end of the plan year	5d(2)		3
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e		0

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2025	ROSA VIDARSDOTTIR
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) Yes No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? Yes No Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year: 562448. (See instructions.)

Part III Financial Information			
7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	2250257	2384161
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	2250257	2384161
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	110000	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	137666	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		247666
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	89850	
e Certain deemed and/or corrective distributions (see instructions) .	8e		
f Administrative service providers (salaries, fees, commissions)	8f		
g Other expenses	8g	23912	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		113762
i Net income (loss) (subtract line 8h from line 8c)	8i		133904
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: <u>1A 1I</u>
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions				
10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. Yes No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a** 0

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? Yes No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.

a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month Day Year

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year **12b**

c Enter the amount contributed by the employer to the plan for this plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline?..... Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No

a If "Yes," enter the amount of any plan assets that reverted to the employer this year..... **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No

c If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII IRS Compliance Questions

14a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

14b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

15 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT INCOME PLAN FOR EMPLOYEES OF ICELANDAIR EMPLOYED WITHIN THE CONTINENTAL LIMITS OF THE U.S.</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>ICELANDAIR</u>	D Employer Identification Number (EIN) <u>13-3057882</u>	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I	Basic Information		
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>		
2	Assets:		
	a Market value	2a	<u>2250257</u>
	b Actuarial value	2b	<u>2351410</u>
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	<u>9</u>	<u>883336</u>
	b For terminated vested participants	<u>16</u>	<u>1171962</u>
	c For active participants	<u>4</u>	<u>399387</u>
	d Total	<u>29</u>	<u>2454685</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	<u>5.00 %</u>
6	Target normal cost		
	a Present value of current plan year accruals	6a	<u>0</u>
	b Expected plan-related expenses	6b	<u>30000</u>
	c Target normal cost	6c	<u>30000</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
	Signature of actuary	<u>10/09/2025</u> Date
	<u>JAMES BAUGHMAN, FSA, EA</u> Type or print name of actuary	<u>23-06714</u> Most recent enrollment number
	<u>MERCER</u> Firm name	<u>202-331-5200</u> Telephone number (including area code)
	<u>1050 CONNECTICUT AVENUE NW SUITE 700 WASHINGTON, DC 20036</u> Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2024 v. 240311

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>12.37</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		874
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.11</u> %		45
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		919
d	Portion of (c) to be added to prefunding balance		919
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	919

Part III Funding Percentages			
14	Funding target attainment percentage	14	95.75 %
15	Adjusted funding target attainment percentage	15	95.75 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	96.70 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls		18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		
04/15/2024	22000	0					
07/15/2024	11000	0					
09/05/2024	11000	0					
04/10/2025	10000	0					
07/11/2025	20000	0					
09/01/2025	36000	0					
Totals ▶			18(b)	110000	18(c)	0	

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	104208

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? Yes No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? Yes No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost			
21 Discount rate:			
a Segment rates:	1st segment: 4.75 %	2nd segment: 4.87 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

Part VI Miscellaneous Items	
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
26 Demographic and benefit information	
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years	
28 Unpaid minimum required contributions for all prior years	28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30 0

Part VIII Minimum Required Contribution For Current Year	
31 Target normal cost and excess assets (see instructions):	
a Target normal cost (line 6c)	31a 30000
b Excess assets, if applicable, but not greater than line 31a	31b 0
32 Amortization installments:	
a Net shortfall amortization installment	104194 9898
b Waiver amortization installment	0 0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34 39898
	Carryover balance Prefunding balance Total balance
35 Balances elected for use to offset funding requirement	0
36 Additional cash requirement (line 34 minus line 35)	36 39898
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37 104208
38 Present value of excess contributions for current year (see instructions)	
a Total (excess, if any, of line 37 over line 36)	38a 64310
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39 0
40 Unpaid minimum required contributions for all years	40 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)	
41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input checked="" type="checkbox"/> 2021	

Schedule SB, line 26a — Schedule of Active Participant Data

Distribution of active participants as of January 1, 2024

Attained age	Years of credited service										Total
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	
Under 25											
25–29											
30–34											
35–39											
40–44											
45–49											
50–54											
55–59		1	2				1				4
60–64											
65–69											
70 & up											
Total		1	2				1				4

In each cell, the number is the count of active participants for each age/service combination.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial assumptions

Discount rate sponsor elections			
• Segment rates or full yield curve	Segment		
• Look-back months	4		
		Stabilized	Nonstabilized
			PBGC¹
• First 5 years		4.75%	3.62%
• Next 15 years		4.87%	4.46%
• Over 20 years		5.59%	4.52%
Mortality sponsor elections			
• All participants	Section 430(h)(3) prescribed combined static annuitant and nonannuitant mortality tables for the 2024 plan year.		
• Non 417(e) lump sums	Liabilities are determined by valuing the lump sum payment after taking into account the percentage of employees assumed to elect the lump sum form of payment upon retirement or termination of employment. This lump sum value is based on the 417(e) rates for November 2023, with each rate reduced by 75 basis points, with implied forward rates and current year 417(e) unisex mortality. The rates for this year’s valuation are 4.75% for the first five years, 5.01% for the next fifteen years, and 5.08% thereafter.		
Other economic assumptions			
• Salary increases	Not applicable – plan is frozen		
• Expected investment return	5.30% for the current year’s valuation		
• Employee contribution accrual rate	5.25% for the current year’s valuation		
• Administrative Expenses	\$30,000 added to current year normal cost		

¹ Icelandair elected to adopt the alternative premium funding target beginning with the 2020 PBGC premium filling.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Rationale for economic assumptions

- Discount rate – These are rates prescribed by the IRS.
- Non-417(e) lump sums – The interest rates are based on the current year lump sum rates and the mortality assumption is the prescribed mortality assumption for the valuation year.
- Expected investment return – The expected rate of return on plan assets is based on the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Market Outlook for the plan's actual asset mix, net of an adjustment for passive investment expenses assumed to be paid from plan assets, rounded to the nearest 10 basis points.
- Employee contribution accrual rate – The rate is based on 120% of the annualized Federal Midterm Rate for the first month of the plan year.
- Administrative Expenses – Equal to the average of the prior two years' non-investment expenses paid by the trust rounded to the nearest \$5,000.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Demographic assumptions		
• Withdrawal	None assumed	
• Disability incidence	None assumed	
• Retirement age	In accordance with the following table:	
	Attained age	Percentage
	55 to 61	5% per year
	62	20%
	63 to 64	5% per year
	65 and above	100%
• Benefit commencement age for		
– Future vested deferred	64	
– Current vested deferred	64	
• Spouse assumptions	Male participants	Female participants
– Percentage married	80%	80%
– Spouse age difference	4 years younger	4 years older
Form of payment	Lump sum	10 Year Certain and Life
• Active retirements	50%	50%
• Future vested deferred	50%	50%
• Current vested deferred	0%	100%
• Future deaths	Single participants under age 55 and non-vested participants are assumed to receive a refund of the employee contributions. Vested single participants over age 55 receive a 10-year certain only annuity. Vested married participants receive a 50% joint and survivor annuity with 10 years certain, deferred to age 55.	

Rationale for demographic assumptions

- Mortality – The mortality assumption is prescribed by the IRS and based on the Plan sponsor’s election.
- Retirement age – Retirement rates have been developed based on the actuary’s experience with similar plans and the retirement subsidies the plan offers at various ages. Annual review of the experience has shown that these rates provide similar results to the actual rates of retirement experienced under the plan.
- Benefit commencement age – Based on the weighted average retirement age using the above percentage rates for active employees.
- Future Deaths – Based on plan experience that roughly half of retirement eligible participants elect the lump sum option.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial methods

Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break-in-service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan's IPG contract with Equitable is included in the valuation data.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2024

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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**

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A Name of plan RETIREMENT INCOME PLAN FOR EMPLOYEES OF ICELANDAIR EMPLOYED WITHIN THE CONTINENTAL LIMITS OF THE U.S.		B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Icelandair		D Employer Identification Number (EIN) 13-3057882	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I Basic information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>			
2 Assets:			
a Market value.....	2a		2,250,257
b Actuarial value.....	2b		2,351,410
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	9	883,336	883,336
b For terminated vested participants.....	16	1,171,962	1,171,962
c For active participants.....	4	399,387	399,387
d Total.....	29	2,454,685	2,454,685
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate.....	5		5.00%
6 Target normal cost			
a Present value of current plan year accruals.....	6a		0
b Expected plan-related expenses.....	6b		30,000
c Target normal cost.....	6c		30,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<p><u>James Baughman (JB)</u> Signature of actuary</p> <p>JAMES BAUGHMAN, FSA, EA Type or print name of actuary</p> <p>MERCER Firm name</p> <p>1050 CONNECTICUT AVENUE NW SUITE 700 WASHINGTON DC 20036 Address of the firm</p>	<p><u>10/19/2025</u> Date</p> <p>2306714 Most recent enrollment number</p> <p>202-331-5200 Telephone number (including area code)</p>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

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v. 240311

Part V Assumptions Used to Determine Funding Target and Target Normal Cost				
21 Discount rate:				
a Segment rates:	1st segment: 4.75%	2nd segment: 4.87%	3rd segment: 5.59%	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

Part VI Miscellaneous Items				
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
26 Demographic and benefit information				
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....				27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years				
28 Unpaid minimum required contributions for all prior years				28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....				29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)				30 0

Part VIII Minimum Required Contribution For Current Year				
31 Target normal cost and excess assets (see instructions):				
a Target normal cost (line 6c).....				31a 30,000
b Excess assets, if applicable, but not greater than line 31a				31b 0
32 Amortization installments:	Outstanding Balance		Installment	
a Net shortfall amortization installment	104,194		9,898	
b Waiver amortization installment	0		0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount				33
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....				34 39,898
	Carryover balance	Prefunding balance	Total balance	
35 Balances elected for use to offset funding requirement			0	
36 Additional cash requirement (line 34 minus line 35).....				36 39,898
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....				37 104,208
38 Present value of excess contributions for current year (see instructions)				
a Total (excess, if any, of line 37 over line 36)				38a 64,310
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances				38b
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)				39 0
40 Unpaid minimum required contributions for all years				40 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)				
41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input checked="" type="checkbox"/> 2021				

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement age	(B) Retirement percent	(C) Lives Remaining	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.0%	10,000	500	27,500
56	5.0%	9,500	475	26,600
57	5.0%	9,025	451	25,707
58	5.0%	8,574	429	24,882
59	5.0%	8,145	407	24,013
60	5.0%	7,738	387	23,220
61	5.0%	7,351	368	22,448
62	20.0%	6,983	1,397	86,614
63	5.0%	5,587	279	17,577
64	5.0%	5,307	265	16,960
65	100.0%	5,042	5,042	327,730
Total			10,000	623,251
Average				62.33

Schedule SB, Part V — Summary of Plan Provisions

Summary of major plan provisions

Effective date and plan year	Original plan: August 1, 1959 Restated plan: January 1, 2013 Plan year: January 1 through December 31
Status of the plan	The plan was frozen for both accruals and participation as of June 30, 2010.
Significant events that occurred during the year	None
Definitions	
• Covered employees	An exempt or non-exempt employee employed within the continental limits of the U.S. who signs an Application for Membership.
• Participation	First of the month following the later of completion of one year of service and the attainment of age 21. No employee enters the plan after June 30, 2010.
• Employee contributions	2% of monthly earnings. No contributions after June 30, 2010.
• Vesting service	Service as a contributing Member of the Plan. Credited service is frozen as of June 30, 2010.
• Credited service	Same as credited service, except that vesting service is not frozen at June 30, 2010.
• Pensionable (Monthly) Earnings	Total monthly base pay limited to the current compensation cap. No compensation after June 30, 2010 is reflected in the calculation of benefits.
Normal retirement	
• Eligibility	Member's 65 th Birthday.
• Benefit	A monthly benefit which is the sum of (a) and (b) below: <ol style="list-style-type: none"> a. Past Service Benefit Benefit based on Plan in effect on July 31, 1969. b. Future Service Benefit <ul style="list-style-type: none"> - Benefit based on Plan in effect on December 31, 1988, plus - For each month of Credited Service after January 1, 1989, 2.4% of monthly earnings. <p><u>Minimum Benefit for Service Prior to January 1, 1987</u> The greater of (1) and (2).</p> <ol style="list-style-type: none"> 1) The sum of 2½% of the first \$650 of Monthly Earnings and 3% of Monthly Earnings in excess of \$650 times Credited Service to January 1, 1987. The Monthly Earnings are defined to be the lesser of the Monthly Earnings on January 1, 1987 and the highest average Monthly Earnings for five consecutive Plan Years. 2) The benefit accrued to January 1, 1987 increased by 10%. Benefits are frozen as of June 30, 2010.
Early retirement	
• Eligibility	First day of any month following 55th birthday.
• Benefit	The accrued benefit payable at Normal Retirement Date. If payments commence prior to Normal Retirement Date, the accrued benefit is reduced 3% per year from age 60 to age 65 and 5% per year from age 55 to age 60,

Schedule SB, Part V — Summary of Plan Provisions

	for each year that the Early Retirement Date precedes the Normal Retirement Date.
Late retirement	
• Eligibility	First day of any month following Normal Retirement Date.
• Benefit	The actuarial equivalent of the benefit earned at Normal Retirement. Date based on the 1984 unisex pension mortality table set back two years, and 6.50% interest. For participants whose benefit commenced on or after January 1, 1988 but before July 1, 2010, employees deferring retirement have a choice of either making employee contributions and receiving the regular benefit accruals under the plan or ceasing to make employee contributions and receiving an actuarial equivalent increase in their benefits based on the 1984 unisex pension mortality table set back two years, and 6.50% interest.
Deferred vested	
• Eligibility	Five years of Credited and Vesting Service (i.e., excluding any service during which the employee was eligible to contribute and declined to contribute).
• Benefit	<ul style="list-style-type: none"> Accrued benefit to date of termination, payable at Normal Retirement Date, or if Member elects to withdraw contributions, the benefit attributable to the Company’s contributions, payable at Normal Retirement Date, or At an Early Retirement Date, a benefit reduced as described above.
Pre-retirement death	
• Eligibility	The pre-retirement death benefit is payable upon the death of a participant prior to normal or early retirement.
• Benefit prior to early retirement	<ul style="list-style-type: none"> If the employee has no Spouse or has less than 5 years of Vesting Service, refund of contributions plus interest to date of death. or If the employee has a Spouse and has at least 5 years of Vesting Service, the benefit payable is deferred for payment until the employee reaches age 55. The benefit is what would have been paid to the spouse under the 50% Joint and Survivor option as if the employee had elected to retire early on his 55th birthday.
• Benefit after early retirement but before normal retirement	<ul style="list-style-type: none"> For a beneficiary other than a Spouse, 120 monthly payments in the amount of the benefit accrued to the first day of the month coincident with or next preceding date of death, reduced for early payment. or For a spouse, the benefit payable under the 50% Joint & Survivor Option as if the Member had retired the first day of the month in which his death occurred.
• Benefit after normal retirement	Same as benefit after early retirement but before normal retirement.
Form of benefits	
• Automatic form for unmarried participants	10 Years Certain & Continuous.

Schedule SB, Part V — Summary of Plan Provisions

• Automatic form for married participants	50% Joint & Survivor actuarial equivalent option.
• Optional forms	<ol style="list-style-type: none"> 1) Modified Cash Refund 2) Life Annuity 3) 5 Years Certain & Continuous 4) 10 Years Certain & Continuous 5) Joint & Survivor Annuity (50%, 75%, 100%; percentage to be specified by Member) with 10 Years Certain and Continuous 6) Lump Sum based on the Section 417(e) rates minus $\frac{3}{4}$ of a percentage point. The applicable Section 417(e) rates are November rates immediately prior to the year of payment. Mortality is based on the Section 417(e) mortality table.
• Optional form conversion factors	<ul style="list-style-type: none"> • Mortality Table: 1984 Unisex Pension mortality table with two-year setback • Interest Rate: 6.50%
• Credited Interest on employee contributions	Effective January 1, 1988, interest is based on 120% of the Mid-Term Applicable Federal Rate (MAFR). The interest rate is set each January 1st and applies for the entire year. Prior to January 1, 1988, interest was credited at the rate of 5% per year.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. No compensation after June 30, 2010 is reflected in the calculation of benefits.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. As of June 30, 2010 the limit was \$195,000.

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as amended and restated effective January 1, 2013, are included in this valuation:

- **Most recent plan amendments included:** To the best of our knowledge, none since January 1, 2013 restatement.
- **Plan amendments excluded:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Late retirement increases:**
 - *Active participants:* Not applicable. There are currently no active participants over normal retirement age, and all participants are assumed to retire no later than normal retirement age.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.

Schedule SB, Part V — Summary of Plan Provisions

- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Additional benefits included or excluded

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* There are no unpredictable contingent event benefits under this plan.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals.

Plan provision changes since prior valuation

No plan provision changes have occurred since the January 1, 2023 valuation.

Schedule SB, line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

Shortfall bases				
Year established	Outstanding balance	Years remaining	2024 Installment	
2023	\$ 93,731	14	\$	8,946
2024	\$ 10,463	15	\$	952
Total	\$ 104,194		\$	9,898

Schedule SB, line 24 — Change in Actuarial Assumptions

- Employee contribution accrual rate increased from 4.62% to 5.25%.
- The interest rates and mortality used for converting annuities to lump sums were updated from the rates and mortality for 2023 payouts to the rates and mortality for 2024 payouts. The 2023 rates were 4.34% for the first five years, 4.85% for the next fifteen years, and 4.66% thereafter. The 2024 rates are 4.75% for the first five years, 5.01% for the next fifteen years, and 5.08% thereafter. The mortality assumption was updated as prescribed by the IRS for calculating lump sums under IRC Section 417(e) from the 2023 basis to the 2024 basis. Like last year, implied forward rates were also used for the projected lump sum conversion basis.
- The expected investment return assumption was changed from 5.50% to 5.30%. The decrease is due to the updated capital market outlook as of January 1, 2024.
- The administrative expense assumption is changed from \$35,000 to \$30,000.