

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans 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.	OMB Nos. 1210-0110 1210-0089 2025 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
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	If the plan is a collectively-bargained plan, check here. ▶ ☒
D	Check box if filing under: ☐ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
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 AIR CANADA U.S. PENSION PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/1978
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) AIR CANADA AIR CANADA TOWER ZIP 1156 525 VIGER AVENUE WEST,SUITE 1000 MONTREAL, QUEBEC H2Z 0B2 CA
2b	Employer Identification Number (EIN) 13-1394887
2c	Plan Sponsor's telephone number 450-912-2756
2d	Business code (see instructions) 481000

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 accompanying schedules, statements and attachments, 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.	07/16/2026	ANNE-MARIE LEGAULT
	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
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ 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
5 Total number of participants at the beginning of the plan year	5 1240
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 195 6a(2) 167 6b 707 6c 203 6d 1077 6e 138 6f 1215 6g(1) 6g(2) 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2025 Form M-1 annual report. If the plan was not required to file the 2025 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2025 This Form is Open to Public Inspection
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For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025	
▶ 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 AIR CANADA U.S. PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF AIR CANADA	D Employer Identification Number (EIN) 13-1394887
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information			
1	Enter the valuation date: Month 01 Day 01 Year 2025			
2	Assets:			
a	Market value	2a	135709451	
b	Actuarial value	2b	136590321	
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	853	113722115	113722115
b	For terminated vested participants	204	12363856	12363856
c	For active participants	195	36339433	36658624
d	Total	1252	162425404	162744595
4	If the plan is in at-risk status, check the box and complete lines (a) and (b). ☐			
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	5.33 %	
6	Target normal cost			
a	Present value of current plan year accruals	6a	2400681	
b	Expected plan-related expenses	6b	1700000	
c	Target normal cost	6c	4100681	

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 DANIEL SECKAR,EA,MAAA Type or print name of actuary MERCER Firm name SIX PPG PLACE PITTSBURGH, PA 15222 Address of the firm	07/14/2026 Date 26-06799 Most recent enrollment number 412-355-8706 Telephone number (including area code)
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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)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>0.57</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)		679
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>5.17</u> %		35
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		714
d Portion of (c) to be added to prefunding balance		
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	0

Part III Funding Percentages

14 Funding target attainment percentage	14	83.92 %
15 Adjusted funding target attainment percentage	15	83.92 %
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	91.20 %
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
04/03/2025	1255000	0			
07/07/2025	1255000	0			
10/02/2025	1255000	0			
01/14/2026	1255000	0			
04/02/2026	480000	0			
05/06/2026	1510000	0			
Totals ►			18(b)	7010000	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	6715214

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:
5.00 %2nd segment:
5.27 %3rd segment:
5.50 %☐ N/A, full yield curve used**b** Applicable month (enter code) **21b** 0**22** Weighted average retirement age **22** 63**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ 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. ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ 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. ☒ Yes ☐ No**b** Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ 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** 4100681**b** Excess assets, if applicable, but not greater than line 31a **31b** 0

32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		26154274	2602572
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** 6703253

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35) **36** 6703253**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 6715214**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 11961**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0**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. ☐ 2019 ☒ 2020 ☐ 2021

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2025
		This Form is Open to Public Inspection.
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025		
A Name of plan AIR CANADA U.S. PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 AIR CANADA	D Employer Identification Number (EIN) 13-1394887	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERCER INVESTMENTS LLC

30-0282430

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51 52	NONE	268219	Yes ☒ No ☐	Yes ☒ No ☐	107460	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	100194	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITORS	65654	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

STATE STREET BANK & TRUST COMPANY

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 62 99 28 25 56	NONE	53133	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

TRANS-CANADA CAPITAL

13-1394887

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 12 50	SUBSIDIARY	53054	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ALIGHT SOLUTIONS

36-2235791

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	NONE	50296	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2025 This Form is Open to Public Inspection.
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025		
A Name of plan AIR CANADA U.S. PENSION PLAN		B Three-digit plan number (PN) ▶ 001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 AIR CANADA		D Employer Identification Number (EIN) 13-1394887
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)		
a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER US SMALL/MID CAP EQUITY PORT		
b Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC		
c EIN-PN 03-0566611-003	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2242208
a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER NON US CORE EQUITY PORTFOLIO		
b Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC		
c EIN-PN 03-0566617-009	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8599654
a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER US LARGE CAP CORE PASSIVE EQ		
b Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC		
c EIN-PN 06-0566613-005	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18682716
a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER ACTIVE LONG CORPORATE FIXED		
b Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC		
c EIN-PN 45-6178743-004	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 48949441
a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER EMERGING MARKETS EQUITY PORT		
b Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC		
c EIN-PN 32-6219484-017	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3760739
a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER PVT INV PART VIII LP		
b Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC		
c EIN-PN 93-4420951-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3137123
a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER ERISA HEDGE FUND INVESTORS P		
b Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC		
c EIN-PN 47-2199849-021	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12690780
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Schedule D (Form 5500) 2025 v. 250312		

a Name of MTIA, CCT, PSA, or 103-12 IE: MERCER OPPORTUNISTIC FIXED INCOME P**b** Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC**c** EIN-PN 36-7630030-020**d** Entity code C**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12438072**a** Name of MTIA, CCT, PSA, or 103-12 IE: MERCER US CORE REAL ESTATE PORTFOLI**b** Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC**c** EIN-PN 87-1321612-022**d** Entity code C**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10233403**a** Name of MTIA, CCT, PSA, or 103-12 IE: MERCER PASSIVE LONG GOVERNMENT FIXE**b** Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC**c** EIN-PN 51-0560117-010**d** Entity code C**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8850663**a** Name of MTIA, CCT, PSA, or 103-12 IE: MERCER OPPORTUNISTIC FIXED INCOME P**b** Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC**c** EIN-PN 36-7630030-020**d** Entity code C**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12438072**a** Name of MTIA, CCT, PSA, or 103-12 IE: MERCER US CORE REAL ESTATE PORTFOLI**b** Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC**c** EIN-PN 87-1321612-022**d** Entity code C**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10233403**a** Name of MTIA, CCT, PSA, or 103-12 IE: MERCER PASSIVE LONG GOVERNMENT FIXE**b** Name of sponsor of entity listed in (a): MERCER TRUST COMPANY LLC**c** EIN-PN 51-0560117-010**d** Entity code C**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8850663**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2025 This Form is Open to Public Inspection
	For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025	
	A Name of plan AIR CANADA U.S. PENSION PLAN	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 AIR CANADA	D Employer Identification Number (EIN) 13-1394887	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1490000	3245000
(2) Participant contributions.....	1b(2)	0	1242
(3) Other	1b(3)	155723	110006
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	5679640	2514617
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	130954762	141516269
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
1e Buildings and other property used in plan operation	1e		
1f Total assets (add all amounts in lines 1a through 1e)	1f	138280125	147387134

Liabilities

1g Benefit claims payable	1g		
1h Operating payables	1h	1486421	1500462
1i Acquisition indebtedness	1i		
1j Other liabilities	1j	1076104	224654
1k Total liabilities (add all amounts in lines 1g through 1j)	1k	2562525	1725116

Net Assets

1l Net assets (subtract line 1k from line 1f)	1l	135717600	145662018
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	7010000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		7010000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	402603	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		402603
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	137582	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		137582
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		16073951
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		23624136

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	12088797	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		12088797
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)	103350	
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)	65654	
(5) Investment advisory and investment management fees	2i(5)	248070	
(6) Bank or trust company trustee/custodial fees	2i(6)	53133	
(7) Actuarial fees	2i(7)	100194	
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	1020520	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		1590921
j Total expenses. Add all expense amounts in column (b) and enter total	2j		13679718

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		9944418
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **PRICEWATERHOUSECOOPERS LLP**

(2) EIN: **13-4008324**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

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.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		50000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	☒		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b 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.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 587222.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2025 This Form is Open to Public Inspection.
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025		
A Name of plan AIR CANADA U.S. PENSION PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 AIR CANADA		D Employer Identification Number (EIN) 13-1394887
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3 1
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☒ N/A If the plan is a defined benefit plan, go to line 8.		
5 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 ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2025 v. 250312		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:

Public Equity: 23.1 % Private Equity: 0.0 % Investment-Grade Debt and Interest Rate Hedging Assets: 66.3 %

High-Yield Debt: 0.0 % Real Assets: 0.0 % Cash or Cash Equivalents: 1.8 % Other: 8.8 %

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☒ 15 years or more

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

b If line 20a is "Yes," 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.....

Part VII IRS Compliance Questions

- 21a** 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

- 21b** 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

- 22** 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_____.

Air Canada U.S. Pension Plan

(EIN: 13-1394887, Plan Number: 001)

Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

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** Other schedules required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.*



Report of Independent Auditor

To the Administrator of Air Canada U.S. Pension Plan

Opinion

We have audited the accompanying financial statements of Air Canada U.S. Pension Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2025 and 2024, and the related statements of changes in net assets available for benefits for the years then ended, including the related notes (collectively referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2025 and 2024, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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Fax to mail: ca_toronto_18_york_fax@pwc.com

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H (line 4i) Form 5500 – Schedule of Assets (Held at End of Year) as of December 31, 2025 and Schedule H (line 4j) – Schedule of Reportable Transactions for the year ended December 31, 2025 (supplemental schedules) are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying supplemental schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario, Canada
July 8, 2026

Air Canada U.S. Pension Plan

Statements of Net Assets Available for Benefits

As of December 31, 2025 and 2024

(expressed in US dollars)

	2025 \$	2024 \$
Assets		
Cash and Money market funds, at fair value	2,514,617	5,679,640
Investments, at fair value (notes 5 and 8)		
Fixed income funds	95,540,172	77,745,385
Equity funds	33,285,317	41,574,992
Hedge Fund	12,690,780	11,634,385
	141,516,269	130,954,762
Interest and dividend income receivable	110,006	155,723
Variation margin receivable [Futures Contracts] (note 9)	1,242	-
Employer contributions receivable	3,245,000	1,490,000
Total assets	147,387,134	138,280,125
Liabilities		
Accounts payable and accrued liabilities (note 6)	1,500,462	1,486,421
Variation margin payable [Futures Contracts] (note 9)	224,654	1,076,104
Total liabilities	1,725,116	2,562,525
Net assets available for benefits	145,662,018	135,717,600
Accumulated plan benefits (note 4)		

Approved on Behalf of the Management Pension Committee

(signed)
John Di Bert
Executive Vice President & Chief Financial Officer

(signed)
Marc Barbeau
Executive Vice President, Chief Legal Officer and
Corporate Secretary

The accompanying notes are an integral part of these financial statements.

Air Canada U.S. Pension Plan

Statements of Changes in Net Assets Available for Benefits

For the years ended December 31, 2025 and 2024

(expressed in US dollars)

	2025 \$	2024 \$
Additions (deductions) to net assets attributable to		
Net change in unrealized fair value of investments and net realized gains/losses on investments	14,244,281	4,787,246
Net change in unrealized gains/losses on futures contracts	852,693	(1,076,104)
Net realized gains/losses on futures contracts	976,977	(3,180,313)
Interest income on short-term investments	402,603	524,840
Dividend income	137,582	39,497
	16,614,136	1,095,166
Contributions		
Employer contributions	7,010,000	5,186,321
	23,624,136	6,281,487
Deductions from net assets attributable to		
Retirement payments	12,088,797	12,135,973
Administrative expenses (note 7)		
	1,590,921	1,703,230
	13,679,718	13,839,203
Increase (decrease) in net asses available for benefits		
	9,944,418	(7,557,716)
Net assets available for benefits – Beginning of year		
	135,717,600	143,275,316
Net assets available for benefits – End of year		
	145,662,018	135,717,600

The accompanying notes are an integral part of these financial statements.

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

1 Plan description

Air Canada U.S. Pension Plan (the Plan) is a non-contributory defined benefit plan covering US employees of Air Canada. Employees are eligible to participate once they have completed 1,000 hours of service. However, the Plan does not allow many new participants. Since July 14, 2006, US employees of Air Canada Ground Handling Services who are subject to the Memorandum of Agreement between Air Canada and the International Brotherhood of Teamsters have not been eligible to participate in the Plan. Since July 1, 2012, all employees covered by the collective agreement with the International Brotherhood of Teamsters have not been eligible to participate in the Plan. Finally, since January 1, 2016, the Plan was closed to new management and Administrative and Technical Support (ATS) employees. Only new International Association of Machinists and Aerospace Workers (IAMAW) represented employees and employees transferring from another defined benefit pension plan sponsored by Air Canada can still join the Plan. The Plan was originally created on January 1, 1978. It was amended and restated as of January 1, 2025.

Air Canada, the Plan Sponsor and Employer, will contribute amounts necessary to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Information about the Plan, the vesting and benefit provisions, and Pension Benefit Guaranty Corporation's (PBGC) benefit guarantee are contained in the "Air Canada U.S. Pension Plan Summary Plan Description." Copies of this booklet are available online through the Plan administrator website.

While the Plan Sponsor has not expressed any intent to discontinue its contributions or terminate the Plan, it is free to do so at any time, subject to the provisions of the Internal Revenue Code (IRC) and ERISA. Should the Plan terminate at some future time, its net assets will generally be available to provide participants' benefits. Whether a participant's accumulated Plan benefits will be paid depends on the level of assets available in the Plan, the priority of the participant's benefits under ERISA and the level of benefits guaranteed by PBGC at that time.

Participants are vested after they have earned five years of continuous service.

The Plan's assets are deposited with State Street Bank and Trust Company, which, as the trustee of the Plan, acts as custodian of the assets entrusted to it.

2 Summary of significant accounting policies

Basis of accounting

The Plan's financial statements are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States (US GAAP).

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits as of December 31, 2025. Actual results could differ from those estimates. The most significant estimates relate to the valuation of investments and actuarial present value of accumulated Plan benefits.

Investments

Investments are stated at fair value. Securities traded on a national securities exchange are valued at the last reported sale price on the last business day of the year.

Effective January 1, 2024, investments in funds are recorded, using net asset value per share as a practical expedient for fair value as determined by the unit value reported by Mercer Investments LLC, the portfolio manager of the Plan, or by the trustee. Accordingly, the Plan is not required to report these investments in the fair value hierarchy.

Dividend and distribution income is recorded on the effective date. Interest earned is recorded on an accrual basis.

Purchases and sales of securities are recorded on a trade date basis. The difference between the fair value of investments and their weighted average cost represents the realized and unrealized gains and losses in the value of investments. The Plan presents in the statement of changes in net assets available for benefits the net appreciation or depreciation in the fair value of investments, which consists of the realized and unrealized gains and losses on those investments.

Derivatives

The Plan uses derivative contracts primarily for purposes of hedging exposures to fluctuations in interest rates with respect to its pension liability.

The Plan records all derivatives (e.g. future contracts) as either assets or liabilities at fair value on a gross basis in the statements of net assets available for benefits. Changes in the fair value of the Plan's derivatives are recognized on the statements of net assets available for benefits.

Actuarial present value of accumulated Plan benefits

The actuarial present value of accumulated Plan benefits is determined as the actuarial present value of all accrued benefits as of the valuation date. This actuarial present value is computed for retirees and beneficiaries in receipt of payments, active members who have completed eligibility for vesting and other participants entitled to vested benefits. The actuarial present value of non-vested accumulated benefits is determined as the actuarial present value of all accrued benefits for active members whose benefits are not yet vested as well as the value of non-vested benefits earned by vested participants as of the valuation date using the valuation assumptions

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

described in note 4. The discount rate for the ASC 960 liabilities is based on a best estimate of future returns using the Plan's target asset allocation.

Contributions

The Plan Sponsor has adopted a funding policy that complies with the minimum funding standards of ERISA. All minimum funding requirements have been met for the years ended December 31, 2025 and 2024.

The amount of contributions is determined by the Plan's actuaries using the Accrued Benefit (Traditional Unit Credit) Actuarial Cost Method.

On and after January 1, 1986, no mandatory employee contributions, either required or elected, are permitted under the terms of the Plan. Any employee who had made contributions under the Plan prior to January 1, 1986, who terminated, received a refund of their accumulated contributions plus interest and was re-hired within certain required time frames, has the right, as described in Section 2.9 of the Plan Agreement, to pay back their accumulated contributions plus interest and have their allowable service and the years of participation that had accrued prior to re-employment reinstated.

Interest on participants' contributions for the purpose of refunds is credited at a rate based upon 120% of the mid-term applicable federal rate (MAFR) in effect on the first day of the Plan year. This rate was 5.25% for 2025 (2024-5.25%).

Relevant provisions of the American Rescue Plan Act of 2021, which extended and increased funding relief provided by the bipartisan budget act of 2015, resulted in a higher funding discount rate and longer amortization period for deficits. As a result of the legislation, minimum funding requirements for the Plan have been reduced as these measures have been applied starting with the year ending December 31, 2020.

Pension benefits

Employees who terminate after July 1, 1999 with five or more years of continuous service are entitled to annual pension benefits beginning at normal retirement age (65) equal to the sum of 1.50% of their final three-year average compensation up to the covered compensation level, plus 1.85% of average compensation in excess of the covered compensation level multiplied by allowable service up to a maximum of 35 years. The Plan permits early retirement at the earlier of the completion of 25 years of continuous service or the attainment of age 55 plus continuous service totalling 80 or more for employees who were hired before January 1, 1989. For employees hired on or after January 1, 1989, the Plan permits early retirement at age 55 or later, with 10 years of continuous service. Employees may elect to receive their pension benefits in the form of a Joint-and-Survivor Annuity, a life annuity, a life annuity with 5 or 10 years of payments guaranteed or a social security levelling option. Employees who were members at the end of 2001 and/or 2002 became vested in their benefits earned at that time due to requirements of Section 420 of the IRC. Such requirements were applicable at that time because certain assets of the Plan were used to pay for certain post-retirement medical benefits. Except as noted previously, if an employee terminates before earning five years of continuous service, they forfeit their right to receive the portion of their accumulated Plan benefits attributable to the Plan Sponsor's contributions. Benefit payments to participants are recorded as retirement payments.

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

Death and disability benefits

If an active employee or a terminated vested employee dies after the completion of five years of continuous service, their surviving spouse will receive the actuarial equivalent of the benefit that would have been paid had the employee retired on their Normal Retirement Date and elected the Joint and 50% Survivor Option beginning with the month following the date of death. Disabled employees eligible and in receipt of disability benefits from the Plan Sponsor's disability program receive an annual benefit calculated at normal retirement date with Allowable Service given for the period of disablement.

Administrative expenses

All administrative expenses related to the operation, custody and management of the Plan's assets are paid by the Plan as allowed under applicable legislation. These expenses include fees for audit, performance and administration. The Sponsor's fees include payroll administration charges, actuarial fees and government fees.

3 Income tax status

The Internal Revenue Service (IRS) has determined, after having informed the Plan by a letter dated September 23, 2013, that the Plan is designed in accordance with applicable sections of the IRC that qualify the Plan for tax-exempt status. This letter expired on January 31, 2018. Effective January 1, 2017, the IRS discontinued issuing favourable determination letters on ongoing qualified retirement plans. Air Canada engaged Mercer to review the Pension Plan document and concluded that the Pension Plan document continues to meet the requirements of the Code.

Since the latest determination letter, the Plan has had eight amendments. Following the amendments, the Plan administrator is of the opinion that the Plan is designed and is currently operating in substantial compliance with the applicable requirements of the IRC and that the Plan is qualified and tax exempt.

US GAAP requires the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that, as of December 31, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are no audits for tax periods in process. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2016.

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

4 Actuarial valuation

The actuarial present value of accumulated Plan benefits as of January 1, 2025 as calculated by the Plan's actuaries, Mercer (US) Inc., is set out below:

	2025 \$
Actuarial present value of accumulated Plan benefits	
Retired participants and beneficiaries	99,905,787
Active vested participants	27,978,270
Participants with deferred benefits	9,856,188
	<u>137,740,245</u>
Non-vested benefits	
Active participants	<u>289,617</u>
Total actuarial present value of accumulated Plan benefits	<u>138,029,862</u>

For participants who are not yet in pay status, the amount of participants' contributions with interest amounted to \$709 and \$695 as of January 1, 2025 and 2024, respectively. The rate credited on these contributions was 5.25% and 5.25%, respectively.

The change in the actuarial present value of accumulated Plan benefits is as follows:

	2025 \$
Actuarial present value of accumulated Plan benefits – January 1, 2024	139,510,914
Benefits accumulated and actuarial gains and losses	1,604,817
Increase in interest due to decrease in discount period	9,637,951
Benefit payments paid during the year	(12,135,974)
Change in actuarial assumptions	<u>(587,846)</u>
Actuarial present value of accumulated Plan benefits – January 1, 2025	<u>138,029,862</u>

No changes in actuarial assumptions have been made since the prior year ASC 960 valuation, as the interest rate, social security wage base, and inflation assumptions have remained the same. The demographic actuarial assumptions have been updated made since the prior year ASC 960 valuation, based on results of experience study completed in 2024. The assumptions used in the latest (January 1, 2025) actuarial valuation to determine the actuarial present value of accumulated Plan benefits were as follows.

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

Mortality

As of January 1, 2025 and 2024, the Plan uses the Pri-2012 mortality base table (no collar, sex distinct, generational with separate tables for non-annuitants, annuitants and contingent beneficiaries) and the Mercer modified MP-2021 projections scale (MMP-2021).

Expected return on investments

The expected return on investments is 7.25% (2024 – 7.25%) per year net of investment expenses.

Termination

The table below represents a sample of termination rate assumptions used to prepare the actuarial valuation. It represents the assumed annual rate of withdrawal for participants of age 55 or less due to reasons other than death, retirement, or disablement:

Age	Rate
25	13.88%
30	9.14%
35	6.58%
40	5.25%
45	4.65%
50*	4.22%
55*	2.19%

*if ineligible to retire

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

Retirement age

Active employees are assumed to retire according to the following table:

Age	Percentage retiring
	%
50 – 54	-
55 – 58	7
59-64	10
65	18
66-69	16
70 and above	100

Terminated vested employees are assumed to retire at their earliest unreduced retirement age as supplied by the Plan Sponsor. Current active employees terminating prior to age 55 are assumed to retire at age 57 if they were hired before January 1, 1989 and at age 59 if they were hired after January 1, 1989.

Spouses' benefit cost

Sixty percent (60%) of active employees and sixty percent (60%) of terminated vested participants are assumed to be married. For male participants, spouses are assumed to be two years younger than the participant. For female participants, spouses are assumed to be four years older than the participant.

Social Security

The calculations of Social Security-covered compensation are based on the law in effect on the valuation date. The wage base is assumed to increase at a rate of 3.50% per year (2024– 3.50%). The consumer price index is assumed to increase at the rate of 2.50% per year (2024–2.50%).

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

5 Investments

All of the Plan's investments are deposited with the trustee. The portfolio manager has been given the authority to purchase and sell investments, subject to limitations established by the Investment Policy Committee of the Sponsor.

As of December 31, 2025 and 2024, the Plan's investments are summarized as follows:

			2025
	Cost	Fair value	Unrealized appreciation (depreciation)
	\$	\$	\$
Fixed income funds			
Pooled US fixed income funds	88,556,987	95,540,172	6,983,185
Equity funds			
Pooled US equity funds	14,423,886	20,924,924	6,501,038
Pooled foreign equity funds	8,168,534	12,360,393	4,191,859
	22,592,420	33,285,317	10,692,897
Hedge Fund	10,300,000	12,690,780	2,390,780
	121,449,407	141,516,269	20,066,862
			2024
	Cost	Fair value	Unrealized appreciation (depreciation)
	\$	\$	\$
Fixed income funds			
Pooled US fixed income funds	74,798,552	77,745,385	2,946,833
Equity funds			
Pooled US equity funds	20,382,195	25,875,742	5,493,547
Pooled foreign equity funds	13,882,744	15,699,250	1,816,506
	34,264,939	41,574,992	7,310,053
Hedge Fund	10,300,000	11,634,385	1,334,385
	119,363,491	130,954,762	11,591,271

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

6 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2025	2024
	\$	\$
Custodial fees	17,972	8,333
Management fees	137,286	79,000
Audit fees	128,154	123,179
Plan Sponsor fees		
Professional fees	100,194	223,002
Government fees	1,020,520	989,259
Administrative fees	96,336	63,648
	1,500,462	1,486,421

7 Administrative expenses

Administrative expenses consist of the following:

	2025	2024
	\$	\$
Custodial fees	53,133	35,256
Management fees	248,070	321,660
Audit fees	65,654	69,905
Performance fees	-	500
Plan Sponsor fees		
Professional fees	100,194	223,002
Government fees	1,020,520	989,259
Administrative fees	103,350	63,648
	1,590,921	1,703,230

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

8 Fair value measurements

Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability; and
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no changes in the methodologies used as of December 31, 2025 and 2024.

A description of the valuation methodologies used for assets measured at fair value is included in note 2. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2025 and 2024.

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

	2025			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Fixed income investments	-	11,931,470		11,931,470
	-	11,931,470	-	11,931,470
Investments recorded using net asset value (NAV) as a practical expedient to fair value				129,584,799
Total investments at fair value				141,516,269

	2024			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Fixed income investments	-	14,052,335		14,052,335
	-	14,052,335	-	14,052,335
Investments recorded using net asset value (NAV) as a practical expedient to fair value				116,902,427
Total investments at fair value				130,954,762

As December 31, 2024, units of the fixed income funds, pooled US and foreign equity funds (note 5) are classified as Level 2 and are valued at the unit values supplied by the fund managers and custodian, which represent the underlying net assets at fair value, divided by the number of units outstanding. This is the value at which units of the funds can be redeemed or subscribed for by the Plan as of the reporting date. Management has opted starting January 1, 2024 to use net asset value per share as a practical expedient for fair value.

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

9 Derivatives

The plan entered into futures contracts to manage interest rate risk exposures with respect to the pension plan's liability. The plan had outstanding future contracts with an aggregate notional value of \$55,386,969 as at December 31, 2025.

The use of derivatives is to align the investment portfolio's interest rate sensitivity (i.e., duration) to manage 75% of the liability duration risk. In a declining rate environment, the value of the investment portfolio (including derivatives) should rise by approximately 75% of the liability value increase, thereby mitigating deterioration in the plan's financial position.

Changes in the fair value of the futures contracts are recognized as gains or losses in the statements of changes in net assets available for benefits. Variation margin payments, which represent settlements of profit/loss, are generally received or made daily, and are reflected on the statements of net assets available for benefits.

The following table presents information about the future contracts for the year ended December 31, 2025.

Name	Notional amount	Derivative Asset	Derivative Liabilities
US LONG BOND (CBT) MAR26	6,357,656		(55,291)
US 10YR NOTE (CBT) MAR26	12,030,813		(52,695)
US ULTRA BOND CBT MAR26	1,298,000		(22,828)
US 5YR NOTE (CBT) MAR26	8,635,070		(17,016)
US 2YR NOTE (CBT) MAR26	9,813,086	1,242	
US 10YR ULTRA FUT MAR26	17,252,344		(76,824)
Total	55,386,969	1,242	(224,654)

10 Risks and uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

11 Related Party Transactions and Party in Interest Transactions

Certain Plan investments are units of the State Street Institutional Treasury Money Market Fund, the custodian and trustee of the Plan. The Plan held 2,369,784 units of the State Street Institutional Treasury Money Market Fund as of December 31, 2025 and 4,375,989 units of Short Term Investments Fund of State Street Bank and Trust Company as of December 31, 2024, valued at \$2,369,784 and \$4,375,989, respectively. This investment and transactions in this investment qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA (Schedule H (Line 4i)).

The Plan Sponsor pays the administrative expenses on behalf of the Plan, and such amounts are then reimbursed to the Plan Sponsor from the Plan's assets (note 7). The amounts that are due to the Plan Sponsor and that have not yet been reimbursed by the Plan are accrued as accounts payable in the accompanying statement of net assets available for benefits. In 2025, the Plan Sponsor charged \$1,217,050 (2024 – \$1,275,909) in expenses to the Plan.

12 Reconciliation of financial statements to Form 5500

The following is a reconciliation of net assets available for benefits recorded in the financial statements to Form 5500 as of December 31:

	2025 \$	2024 \$
Net assets available for benefits recorded in the financial statements	145,662,018	135,717,600
Add: Receivable contributions	-	-
Net assets available for benefits recorded in Form 5500	145,662,018	135,717,600

The following is a reconciliation of employer contributions received and recorded in the financial statements to Form 5500:

	2025 \$	2024 \$
Employer contributions recorded in the financial statements	7,010,000	5,186,321
Add: Receivable contributions	-	-
Employer contributions recorded in Form 5500	7,010,000	5,186,321

Air Canada U.S. Pension Plan

Notes to Financial Statements

December 31, 2025 and 2024

(expressed in US dollars)

13 Subsequent events

The Plan administrator has evaluated events from December 31, 2025 through July 8, 2026, the date of issuance of these financial statements, and it has noted no events impacting the financial statements.

Air Canada U.S. Pension Plan

Schedule H (Line 4i) Form 5500 – Schedule of Assets (Held at End of Year)

As of December 31, 2025

(expressed in US dollars)

(b) Identity of issuer, borrower, lessor or similar party	(c) Par value or number of units held	(d) Cost	(e) Current value
Cash and Money market funds			
Cash and Short Term Investment Fund (State Street Bank and Trust Company)*	144,833	144,833	144,833
State Street Institutional Treasury Money Market Fund*	2,369,784	<u>2,369,784</u>	<u>2,369,784</u>
	2,514,617	2,514,617	2,514,617
Fixed income investments and funds			
Mercer Active Long Corporate Investment Portfolio	2,599,545	43,891,394	48,949,441
Mercer Opportunistic Fixed Income Portfolio	922,022	10,419,905	12,438,072
Mercer US Core Real Estate	10,347	10,000,000	10,233,403
Mercer Passive Long Government Fixed income	454,113	8,793,701	8,850,663
Mercer Private Investment Partners VIII	2,912,248	2,912,248	3,137,123
US Treasury Note, 3.625%, 02/15/2053	2,115,000	1,884,333	1,712,325
US Treasury Note, 3.625%, 05/15/2053	2,095,000	1,867,987	1,694,750
US Treasury Note, 4.125%, 08/15/2053	1,335,000	1,301,834	1,181,782
US Treasury Note, 4.250%, 02/15/2054	1,845,000	1,728,679	1,667,991
US Treasury Note, 4.250%, 08/15/2054	785,000	772,949	709,750
US Treasury Note, 4.750%, 05/15/2055	125,000	125,205	122,833
US Treasury Strip, 08/15/2053	6,325,000	1,890,100	1,611,041
US Treasury Strip, 11/15/2037	3,255,000	1,696,799	1,902,124
US Treasury Strip, 11/15/2038	2,410,000	<u>1,271,853</u>	<u>1,328,874</u>
	27,188,275	88,556,987	95,540,172
Hedge fund			
Mercer ERISA Hedge Fund Investors Portfolio	7,213	10,300,000	12,690,780
US Equity funds			
Mercer US Small/mid Cap. Equity Portfolio	43,045	1,647,507	2,242,208
Mercer US Large Cap Passive Equity Portfolio	226,842	<u>12,776,379</u>	<u>18,682,716</u>
	269,887	14,423,886	20,924,924
Foreign Equity funds			
Mercer Non-US Core Equity Portfolio	230,677	5,493,527	8,599,654
Mercer Emerging Markets Equity Portfolio	237,570	<u>2,675,007</u>	<u>3,760,739</u>
	468,247	8,168,534	12,360,393
Total Equity funds		<u>22,592,420</u>	<u>33,285,317</u>
Total investments		<u>123,964,024</u>	<u>144,030,886</u>

* Party-in-interest as defined by ERISA

Air Canada U.S. Pension Plan

Schedule H (Line 4j) – Schedule of Reportable Transactions

For the year ended December 31, 2025

(expressed in US dollars)

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of party involved	Description of asset (including interest rate and maturity in case of a loan)	Purchase price	Selling price	Lease price	Expense incurred with transactions	Cost of assets	Current value of asset on transaction date	Net gain
		\$	\$	\$	\$	\$	\$	\$
Mercer	Cash and Short Term Investment Fund (State Street Bank and Trust Company)*	31,490,438	33,496,643	-	-	33,496,643	64,987,081	-
Mercer	Mercer US Large Cap Passive Equity Portfolio	1,632,845	8,728,966	-	-	6,341,193	10,361,811	2,387,773
Mercer	Mercer Active Long Corporate Investment Portfolio	18,889,107	1,483,044	-	-	1,316,000	20,372,151	167,044
Mercer	US Treasury Note, 0.75%, 05/31/2026	1,791,711	1,826,005	-	-	1,791,711	3,617,716	34,294
Mercer	US Treasury Note, 2.250%, 02/15/2052	-	1,135,744	-	-	1,221,311	1,135,744	(85,567)
		53,804,101	46,670,402	-	-	44,166,858	100,474,503	2,503,544

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

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				2	4						6
40–44				1	5	5					11
45–49		1	1	2	7	10	4				25
50–54		1	1		4	13	17	6			42
55–59		1	1	4	11	12	18	6			53
60–64			4	5	7	9	5	3	7		40
65–69			1	1	5	3		3	1		14
70 & up					1				3		4
Total		3	8	15	44	52	44	18	11		195

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 | 0 |

	<u>Stabilized</u>	<u>Non-stabilized</u>
• First 5 years	5.00%	5.00%
• Next 15 years	5.27%	5.27%
• Over 20 years	5.50%	5.40%

Mortality sponsor elections

- | | |
|------------------------|--|
| • Healthy participants | Section 430(h)(3) prescribed separate static annuitant and non-annuitant mortality tables. These tables are based on SOA - RP-2014 mortality table, adjusted back to 2006 and with MP-2021 improvement mortality projection scale. |
|------------------------|--|

417(e) lump sums

Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality.

Salary increases	Attained age	Percentages
	18-35	3.30%
	36-38	3.20%
	39-40	3.10%
	41-43	3.00%
	44-45	2.90%
	46-48	2.80%
	49-50	2.70%
	51-53	2.60%
	54-55	2.50%
	56-58	2.40%
	59-60	2.30%
	61-63	2.20%
	64-65	2.10%
	66-68	2.00%
	69 and Above	1.90%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Other economic assumptions**

• Flat-dollar benefit increases	N/A
• Social Security wage base	3.50% per year
• Inflation	2.50% per year
• Expected investment return	7.25% for 2023, 2024 and 2025
• Expenses	1,700,000 added to current year normal cost
• Interest on contributions	5.25% per year (based on current rates)

Rationale for economic assumptions

- Discount rate sponsor elections – As elected by the plan sponsor from an IRS-approved list of assumptions.
- Mortality sponsor elections – As elected by the plan sponsor from an IRS-approved list of assumptions.
- Salary increases – Based on results of experience study conducted in 2024.
- Social Security wage base – Equal to the assumed rate of inflation plus 100 basis points.
- Inflation – Based on Mercer Investment Consulting's expected inflation rate from its capital markets outlook, rounded to the nearest 25 basis points.
- Expected investment return – Based on the best estimate generated from Mercer Investment Consulting's Historical Investment Return Data (HiRD) tool rounded down to the nearest 25 basis points, and within the reasonable range of the Portfolio Return Calculator (PRC)'s 20-year projection horizon for annual compound returns, using target asset allocation of Air Canada's investment policy.
- Expenses – Based on actual administrative expenses during prior year, rounded to the nearest \$10,000.
- Interest on contributions – 120% of January Mid-term AFR, compounded annually.

Demographic assumptions

• Withdrawal	See table of sample rates.
• Disability incidence	N/A
• Retirement age	See The Table of Sample Rates
• Benefit commencement age for	
– Future vested deferred	Earliest age for unreduced benefits.
– Current vested deferred	Earliest age for unreduced benefits as supplied by the plan sponsor.

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

Demographic assumptions		
• Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
– Actives percentage married	60%	60%
– Current Vested percentage married	60%	60%
– Spouse age difference	2 years younger	4 years older
Form of payment	<u>Life Annuity</u>	<u>50% J&S</u>
	50%	50%
Unpredictable contingent event assumptions	N/A	

Table of sample rates

Attained age	Percentage withdrawal
25	13.88%
30	9.14%
35	6.58%
40	5.25%
45	4.65%
50 ¹	4.22%
55 ²	2.19%

Attained age	Percentage retirement
50-54	0%
55-58	7%
59-64	10%
65	18%
66-69	16%
70 and above	100%

Rationale for demographic assumptions

- Retirement age – Based on results of experience study completed in 2024.
- Withdrawal – Based on results of experience study completed in 2024.

¹ If ineligible to retire.

² If ineligible to retire.

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

- Benefit commencement age – Based on results of experience study completed in 2024.
- Spouse assumptions – Based on results of experience study completed in 2024.
- Form of payment – Based on results of experience study completed in 2024.

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 administrator provides data for those employees who have completed the plan's eligibility requirements as of the valuation date. Those employees are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for non-vested 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 does not have any insurance contracts.

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 are the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.

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

- 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.

Air Canada U.S. Pension Plan

Schedule H (Line 4j) – Schedule of Reportable Transactions

For the year ended December 31, 2025

(expressed in US dollars)

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of party involved	Description of asset (including interest rate and maturity in case of a loan)	Purchase price	Selling price	Lease price	Expense incurred with transactions	Cost of assets	Current value of asset on transaction date	Net gain
		\$	\$	\$	\$	\$	\$	\$
Mercer	Cash and Short Term Investment Fund (State Street Bank and Trust Company)*	31,490,438	33,496,643	-	-	33,496,643	64,987,081	-
Mercer	Mercer US Large Cap Passive Equity Portfolio	1,632,845	8,728,966	-	-	6,341,193	10,361,811	2,387,773
Mercer	Mercer Active Long Corporate Investment Portfolio	18,889,107	1,483,044	-	-	1,316,000	20,372,151	167,044
Mercer	US Treasury Note, 0.75%, 05/31/2026	1,791,711	1,826,005	-	-	1,791,711	3,617,716	34,294
Mercer	US Treasury Note, 2.250%, 02/15/2052	-	1,135,744	-	-	1,221,311	1,135,744	(85,567)
		53,804,101	46,670,402	-	-	44,166,858	100,474,503	2,503,544

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 2025 This Form is Open to Public Inspection
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For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

▶ **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 AIR CANADA U.S. PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF AIR CANADA	D Employer Identification Number (EIN) 13-1394887
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2025</u>			
2 Assets:			
a Market value		2a	135,709,451
b Actuarial value		2b	136,590,321
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	853	113,722,115	113,722,115
b For terminated vested participants	204	12,363,856	12,363,856
c For active participants	195	36,339,433	36,658,624
d Total	1,252	162,425,404	162,744,595
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
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	5.33%	
6 Target normal cost			
a Present value of current plan year accruals	6a	2,400,681	
b Expected plan-related expenses	6b	1,700,000	
c Target normal cost	6c	4,100,681	

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	<u>DMS</u> Signature of actuary	<u>1/14/26</u> Date
<u>DANIEL SECKAR, EA, MAAA</u> Type or print name of actuary		<u>2606799</u> Most recent enrollment number
<u>MERCER</u> Firm name		<u>412-355-8706</u> Telephone number (including area code)
<u>SIX PPG PLACE</u>		
<u>PITTSBURGH PA 15222</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) 2025
v. 250312

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)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>0.57%</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)		679
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>5.17%</u>		35
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		714
d Portion of (c) to be added to prefunding balance		
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	0

Part III Funding Percentages

14 Funding target attainment percentage	14	83.92%
15 Adjusted funding target attainment percentage	15	83.92%
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	91.20%
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
04/03/2025	1,255,000	0			
07/07/2025	1,255,000	0			
10/02/2025	1,255,000	0			
01/14/2026	1,255,000	0			
04/02/2026	480,000	0			
05/06/2026	1,510,000	0			
Totals ▶			18(b)	7,010,000	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	6,715,214

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: 5.00 %	2nd segment: 5.27 %	3rd segment: 5.50 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ 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.....	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ 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.	☒ Yes ☐ No
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ...	☒ Yes ☐ 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	4,100,681										
b Excess assets, if applicable, but not greater than line 31a	31b	0										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>26,154,274</td> <td>2,602,572</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	26,154,274	2,602,572	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	26,154,274	2,602,572										
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	6,703,253										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		0	0									
36 Additional cash requirement (line 34 minus line 35).....	36	6,703,253										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	6,715,214										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	11,961										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
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. ☐ 2019 ☒ 2020 ☐ 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 63.

(A)	(B)	(C)	(D)	(E)
Retirement age	Retirement Percent	Lx	Number of employees expected to retire (B) x (C)	(A) x (D)
50	0.00%	1,000.00	0.00	2,500.00
51	0.00%	1,000.00	0.00	2,422.50
52	0.00%	1,000.00	0.00	2,346.50
53	0.00%	1,000.00	0.00	2,272.04
54	0.00%	1,000.00	0.00	2,199.17
55	7.00%	1,000.00	70.00	3,850.00
56	7.00%	930.00	65.10	3,645.60
57	7.00%	864.90	60.54	3,450.95
58	7.00%	804.36	56.30	3,265.69
59	10.00%	748.05	74.81	4,413.51
60	10.00%	673.25	67.32	4,039.48
61	10.00%	605.92	60.59	3,696.12
62	10.00%	545.33	54.53	3,381.05
63	10.00%	490.80	49.08	3,092.02
64	10.00%	441.72	44.17	2,826.99
65	18.00%	397.55	71.56	4,651.28
66	16.00%	325.99	52.16	3,442.43
67	16.00%	273.83	43.81	2,935.45
68	16.00%	230.02	36.80	2,502.58
69	16.00%	193.21	30.91	2,133.08
70	100.00%	162.30	162.30	11,360.98
Total			1,000.00	62,687.21
Average				62.69

Schedule SB, line 26b — Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2025	368,018	349,380	11,823,254	12,540,653
2026	604,437	436,978	11,415,416	12,456,832
2027	866,311	467,463	11,015,371	12,349,145
2028	1,098,480	534,459	10,606,693	12,239,632
2029	1,407,420	588,310	10,209,779	12,205,509
2030	1,639,086	663,722	9,792,100	12,094,908
2031	1,877,564	775,796	9,373,576	12,026,936
2032	2,112,994	839,513	8,929,237	11,881,744
2033	2,315,065	886,276	8,487,522	11,688,863
2034	2,535,785	936,454	8,037,273	11,509,512
2035	2,684,336	962,750	7,582,204	11,229,290
2036	2,842,835	962,444	7,123,745	10,929,024
2037	2,974,274	962,993	6,664,812	10,602,079
2038	3,087,354	1,013,658	6,208,507	10,309,520
2039	3,198,087	998,420	5,758,016	9,954,523
2040	3,274,293	986,657	5,316,515	9,577,465
2041	3,304,340	970,200	4,887,049	9,161,590
2042	3,328,846	953,554	4,472,397	8,754,796
2043	3,323,958	936,200	4,074,962	8,335,121
2044	3,316,844	922,817	3,696,718	7,936,379
2045	3,293,530	899,006	3,339,179	7,531,714
2046	3,237,191	879,113	3,003,435	7,119,740
2047	3,179,502	859,204	2,690,138	6,728,843
2048	3,114,638	831,646	2,399,519	6,345,803
2049	3,026,712	802,846	2,131,469	5,961,027
2050	2,934,718	772,770	1,885,597	5,593,084
2051	2,828,977	741,383	1,661,251	5,231,612
2052	2,709,695	708,670	1,457,620	4,875,985
2053	2,585,329	680,105	1,273,761	4,539,195
2054	2,455,093	644,760	1,108,626	4,208,478
2055	2,321,030	608,251	961,135	3,890,416
2056	2,182,665	570,754	830,157	3,583,576
2057	2,039,699	532,507	714,544	3,286,751
2058	1,897,052	493,781	613,147	3,003,980
2059	1,754,298	454,886	524,808	2,733,992
2060	1,612,443	416,135	448,396	2,476,974

Schedule SB, line 26b — Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2061	1,473,601	377,855	382,798	2,234,255
2062	1,338,947	340,398	326,916	2,006,261
2063	1,209,577	304,107	279,679	1,793,363
2064	1,086,435	269,317	240,051	1,595,803
2065	970,277	236,334	207,032	1,413,643
2066	861,657	205,437	179,680	1,246,774
2067	760,908	176,846	157,116	1,094,871
2068	668,151	150,712	138,535	957,397
2069	583,342	127,123	123,210	833,676
2070	506,303	106,106	110,503	722,913
2071	436,774	87,621	99,868	624,262
2072	374,431	71,574	90,847	536,852
2073	318,878	57,832	83,062	459,772
2074	269,683	46,219	76,201	392,104

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions**

Effective date and plan year	The Effective Date is January 1, 1978. The Plan was amended effective July 1, 1999 and again effective January 2001 to include section 420 provisions regarding transfers of assets from the pension plan to pay for postretirement medical benefits. Effective June 30, 2001, the Canadian Airlines International Ltd. Retirement Plan for United States employees was merged into the Air Canada U.S. Pension Plan. This merger was reflected in the January 1, 2002 valuation. A determination letter on the Plan restated as of January 1, 1989 was received January 25, 1995. A new determination letter was requested in January of 2002 and was received December 13, 2002. The plan document was restated January 1, 2008. A determination letter was received in October of 2009. The plan document was amended and restated effective January 1, 2012. A determination letter was received September 23, 2013.
Most recent amendment	Amendment No. 8 was effective December 31, 2020. This amendment updated and clarified the definitions of Allowable and Continuous Service for full time participants effective December 31, 2020.
Sponsoring employer	Air Canada.
Status of the plan	The plan has ongoing benefit accruals and some new employees are eligible to participate in the plan once they satisfy the participation requirements if they were hired before January 1, 2016. Effective January 1, 2016, all non-unionized employees who are hired after January 1, 2016 will not be eligible to participate in the plan. Since July 14, 2006, US employees of Air Canada Ground Handling Services who are subject to the Memorandum of Agreement between Air Canada and the International Brotherhood of Teamsters have not been eligible to participate in the Plan. Since July 1, 2012, all employees covered by the collective agreement with the International Brotherhood of Teamsters have not been eligible to participate in the Plan. There is a group of IAMAW represented employees and employees transferring from another defined benefit pension plan sponsored by Air Canada can still join the Plan.
Significant events that occurred during the year	None
Definitions	
• Participation	Each employee shall become a member of the Plan on the first day of the month after the completion of 1,000 hours of service.
• Employee contributions	No employee contributions are permitted or required effective January 1, 1986.
• Eligibility for vested benefit	5 years of service effective January 1, 1989.

Schedule SB, Part V — Summary of Plan Provisions

Credited interest on prior employee contributions	Effective retroactively to 1/1/88, interest will be based upon 120% of the Mid-Term Applicable Federal Rate (MAFR). The interest rate will be set each January 1st and will apply for the entire year. The applicable 120% MAFR Rates for 1989 through 2024 are as follows: <table><tr><td>1989</td><td>11.11%</td><td>2003</td><td>4.12%</td><td>2017</td><td>2.36%</td></tr><tr><td>1990</td><td>9.57%</td><td>2004</td><td>4.23%</td><td>2018</td><td>2.62%</td></tr><tr><td>1991</td><td>9.78%</td><td>2005</td><td>4.53%</td><td>2019</td><td>3.47%</td></tr><tr><td>1992</td><td>8.10%</td><td>2006</td><td>5.39%</td><td>2020</td><td>2.03%</td></tr><tr><td>1993</td><td>7.63%</td><td>2007</td><td>5.51%</td><td>2021</td><td>0.62%</td></tr><tr><td>1994</td><td>6.40%</td><td>2008</td><td>4.31%</td><td>2022</td><td>1.57%</td></tr><tr><td>1995</td><td>9.54%</td><td>2009</td><td>2.48%</td><td>2023</td><td>4.62%</td></tr><tr><td>1996</td><td>6.89%</td><td>2010</td><td>2.95%</td><td>2024</td><td>5.25%</td></tr><tr><td>1997</td><td>7.34%</td><td>2011</td><td>2.34%</td><td></td><td></td></tr><tr><td>1998</td><td>7.13%</td><td>2012</td><td>1.40%</td><td></td><td></td></tr><tr><td>1999</td><td>5.59%</td><td>2013</td><td>1.04%</td><td></td><td></td></tr><tr><td>2000</td><td>7.47%</td><td>2014</td><td>2.10%</td><td></td><td></td></tr><tr><td>2001</td><td>6.75%</td><td>2015</td><td>2.10%</td><td></td><td></td></tr><tr><td>2002</td><td>5.40%</td><td>2016</td><td>2.17%</td><td></td><td></td></tr></table>	1989	11.11%	2003	4.12%	2017	2.36%	1990	9.57%	2004	4.23%	2018	2.62%	1991	9.78%	2005	4.53%	2019	3.47%	1992	8.10%	2006	5.39%	2020	2.03%	1993	7.63%	2007	5.51%	2021	0.62%	1994	6.40%	2008	4.31%	2022	1.57%	1995	9.54%	2009	2.48%	2023	4.62%	1996	6.89%	2010	2.95%	2024	5.25%	1997	7.34%	2011	2.34%			1998	7.13%	2012	1.40%			1999	5.59%	2013	1.04%			2000	7.47%	2014	2.10%			2001	6.75%	2015	2.10%			2002	5.40%	2016	2.17%		
1989	11.11%	2003	4.12%	2017	2.36%																																																																																
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2001	6.75%	2015	2.10%																																																																																		
2002	5.40%	2016	2.17%																																																																																		
Service considered	Allowable Service is used to calculate the benefit amount. A maximum of 35 years can be earned. Full time employees earn one month of Allowable Service for each month they are credited with one or more Hours of Service in such month. Continuous and Allowable Service are rounded to the nearest 1/12 of a year. Part time employees earn 1/12th of a year for each 173 1/3 Hours of Service worked in a Plan Year rounded up to the next 1/12th of a year, not exceeding 1 year. Continuous Service is used to determine vesting and eligibility for early retirement. Part time employees: One month of Continuous Service is earned for each month in which the employee is credited with one or more hours of service. Full time employees: One month of Continuous Service is earned for each month in which the employee is credited with one or more hours of service. The calculation of Allowable and Continuous Service for full time employees was updated effective December 31, 2020 with the addition of Amendment No. 8.																																																																																				
Covered Compensation	Covered compensation is the 35-year average of the Social Security taxable wage bases in effect each year ending with the year the employee reaches his or her Social Security Normal Retirement Date.																																																																																				

Schedule SB, Part V — Summary of Plan Provisions

Average annual compensation	Average Compensation is the average of the highest compensation during 36 consecutive months of service times 12. (Prior to July 1, 1999, Average Compensation was the average of the highest compensation during 48 consecutive months of service times 12.) Compensation means salary or wages shown on the Company's U.S. dollar payroll including overtime and premium payments, but excluding termination settlements, and foreign or special station allowances. Compensation does not include overtime for employees hired on or after January 1, 1989 or for former CAIL employees. Effective January 1, 1994, compensation cannot exceed the maximum annual compensation limit under 401(a)(17). Effective in 1997, for the purpose of determining benefits, compensation is annualized (based on a full year of 2,080 hours) for part-time employees.
Normal retirement	
Eligibility	Last day of the month in which a member attains 65 years of age.
Benefit	Effective January 1, 1989 through June 30, 1999, an annual benefit for each year of Allowable Service up to a maximum of 35 years, equal to the sum of the following: 1) 1.35% of average compensation up to the covered compensation level, 2) 1.70% of average compensation in excess of the covered compensation level. Effective July 1, 1999, an annual benefit for each year of Allowable Service up to a maximum of 35 years, equal to the sum of the following: 1) 1.50% of average compensation up to the covered compensation level, 2) 1.85% of average compensation in excess of the covered compensation level. However, the benefit cannot be less than the benefit calculated under the prior plan formula(s) based upon Allowable Service and final average earnings at December 31, 1988.

Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
• Eligibility	For employees hired before January 1, 1989: Last day of any month after the completion of 25 years of Continuous Service or after the attainment of age 55 and age plus Continuous Service total 80 or more. For employees hired on and after January 1, 1989: age 55 with 10 years of Continuous Service.
• Benefit	An annual benefit, calculated as the normal retirement benefit above, but based on Allowable Service and compensation to early retirement date. Effective July 1, 1999, if the member has attained age 57 if hired before 1/1/89 or age 59 if hired on or after 1/1/89 on the early retirement date, there is no reduction. Otherwise, the benefit is multiplied by a fraction, the numerator of which is years of Allowable Service and the denominator of which is years of Allowable Service plus the number of years until the member attains age 57 (if hired before 1/1/89) or age 59 (if hired after 1/1/89). Prior to July 1, 1999, if the member has attained age 60 if hired before 1/1/89 or age 62 if hired on or after 1/1/89 on the early retirement date, there is no reduction. Otherwise, the benefit is multiplied by a fraction, the numerator of which is years of Allowable Service and the denominator of which is years of Allowable Service plus the number of years until the member attains age 60 (if hired before 1/1/89) or age 62 (if hired after 1/1/89).
Deferred vested	
• Eligibility	5 year of service effective January 1, 1989.
• Benefit	Normal Retirement Benefit but based on Allowable Service, average compensation and covered compensation as of termination date. Upon termination prior to the completion of 5 years of Continuous Service, a member may withdraw his or her accumulated contributions and forfeit the employer provided portion of benefit under the Plan.
Disability	
• Eligibility	Disabled employees eligible and in receipt of disability benefits from the Company's disability program.
• Benefit	Annual benefit calculated at normal retirement date, reduced for any commencement prior to normal retirement date (similar to an early retirement benefit). Disability benefit amount is no different from early retirement benefit, but does provide participants with Allowable Service for the period of disablement.

Schedule SB, Part V — Summary of Plan Provisions

Pre-Retirement Death	
• Eligibility	Death of active employee after the completion of 5 years of service or death of an active employee at or past normal retirement age, or death after termination of employment with entitlement to a benefit that has not yet commenced.
• Benefit prior to early retirement	The actuarial equivalent of the benefit that would have been paid had the deceased retired on his Normal Retirement Date after completing his actual number of years of Allowable Service, electing the Joint and 50% Survivor Option and naming his spouse as beneficiary. For those employees hired prior to January 1, 1978, the benefit shall be calculated without a reduction for the election of the Joint and 50% Survivor Option. This benefit is payable to the spouse for life beginning with the month following date of death. If the member has not completed the eligibility requirements for this spouse's pension, at death the member's contributions (with interest), if any, are paid to his or her beneficiary.
• Benefit after early but before normal retirement	The actuarial equivalent of the benefit that would have been paid had the deceased retired on his Normal Retirement Date after completing his actual number of years of Allowable Service, electing the Joint and 50% Survivor Option and naming his spouse as beneficiary. For those employees hired prior to January 1, 1978, the benefit shall be calculated without a reduction for the election of the Joint and 50% Survivor Option. This benefit is payable to the spouse for life beginning with the month following date of death. If the member has not completed the eligibility requirements for this spouse's pension, at death the member's contributions (with interest), if any, are paid to his or her beneficiary.
• Death Benefit after retirement	As indicated by the optional form, but in no event shall the total dollar amount received by the member and the member's beneficiary be less than the member's total contributions (with interest) as of the member's retirement date. For any Member whose Continuous Service commenced prior to the Effective Date but who either a) did not have a Spouse when he retired and who subsequently marries or b) did have a Spouse when he or she retired, but such Spouse has subsequently died and he has subsequently remarried, then such retired Member may elect to change his or her retirement benefit into a Joint and 50% Survivor Annuity option. The Joint and 50% Survivor Annuity would be the Actuarial Equivalent of the retirement benefit the Member was receiving. The election of the Joint and 50% Survivor Annuity must be made within one year of the Member's marriage or remarriage after the commencement of benefits. Effective January 1, 2001, there is no actuarial adjustment for making this election.

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
Automatic form for unmarried participants	Life Annuity.
Automatic form for married participants	Married member hired prior to 1/1/78: Joint and 50% Survivor, with no reduction. Married member hired after 1/1/78: Joint and 50% Survivor, actuarially reduced.
Optional forms	i) 50%, 75% or 100% Joint and Survivor ii) Social Security Leveling iii) 5 or 10 year Certain and Life thereafter iv) Life Annuity All optional forms are actuarially equivalent.
Optional form conversion factors	The basis for actuarial equivalence for each of the optional forms of payment (with the exception of lump sums and level income options) is the mortality table specified under Section 417(e)(3) of the Internal Revenue Code at the time of distribution, as revised effective, January 1, 2008 by the Pension Protection Act of 2006 and an interest rate of 6.00 %.
Conversion factor for lump sum and level income option	The basis for actuarial equivalence for the Level Income and Lump Sum optional forms of payment is the mortality table and interest specified under Section 417(e)(3) of the Internal Revenue Code, as revised effective January 1, 2008 by the Pension Protection Act of 2006. The interest rate is determined as of the second month preceding the calendar year in which distribution occurs (November).
Section 420	The plan was amended effective January 1, 2001 to allow for Section 420 asset transfers. On or after January 1, 2016, this section no longer applies.

Schedule SB, Part V — Summary of Plan Provisions**Retired members**

a) Effective January 1, 1980, the benefits of retired members who had attained age 60 before January 1, 1980 and who had retired prior to January 1, 1979 were increased by 5.5% with a proration for members who retired after January 1, 1978 and before January 1, 1979. The increase is not applicable to the annuity payable under Rule 36* but is applicable to disability and survivor benefits regardless of age.

* A supplemental annuity purchased by voluntary contributions.

b) Effective January 1, 1981, benefits not in excess of \$720 per month payable to retired members who had attained age 60 before January 1, 1981 and who had retired prior to January 1, 1980 were increased by 7% with a proration for members who had retired after January 1, 1979 and before January 1, 1980. The increase is not applicable to the annuity payable under Rule 36* but is applicable to disability and survivor benefits regardless of age.

* A supplemental annuity purchased by voluntary contributions.

c) Effective January 1, 1982, the benefits of retired members who had attained age 60 before January 1, 1982 and who had retired prior to January 1, 1981 were increased by 3% with a proration for members who retired after January 1, 1980 and before January 1, 1981. The increase is not applicable to the annuity payable under Rule 36* but is applicable to disability and survivor benefits regardless of age.

* A supplemental annuity purchased by voluntary contributions

d) Effective January 1, 1986, the benefits of retired members whose retirement benefit was calculated under retirement benefit formula 1(a), (b) or (c), shall have their benefits re determined under formula 1(d). If formula 1(d) results in a larger benefit payment, the increased benefit amount will be payable on and after January 1, 1986.

e) Effective January 1, 1989, the benefits of retired members who had attained age 62 before January 1, 1989 and who had retired prior to January 1, 1988 were increased by 3½% with a proration for members who retired after January 1, 1987 and before January 1, 1988. The increase is applicable to disability and survivor benefits regardless of age.

f) Effective January 1, 1991, the benefits of retired members who had attained age 62 and who had retired prior to January 1, 1990 were increased by 4% but not more than \$40 per month with a proration for members who retired after January 1, 1989 and before January 1, 1990. This increase is applicable to disability and survivor benefits regardless of age.

g) Effective January 1, 1993, the benefits of retired members who had attained age 62 and who had retired prior to January 1, 1991 were increased by 3.9% but not more than \$43 per month. This

Schedule SB, Part V — Summary of Plan Provisions

	increase is applicable to disability and survivor benefits regardless of age.
	h) Effective January 1, 1995, the benefits of retired members who had attained age 62 and who had retired prior to January 1, 1993 were increased by 2.8% but not more than \$28 per month. This increase is applicable to disability and survivor benefits regardless of age. i) Effective January 1, 1997, the benefits of retired members who had attained age 62 and who had retired prior to January 1, 1995 were increased by 2.8% but not more than \$28 per month with a proration for members who retired after January 1, 1995 and before January 1, 1996. This increase is applicable to disability and survivor benefits regardless of age. j) Effective January 1, 1999, the benefits of retired members who had attained age 62 and who had retired prior to January 1, 1997 were increased by 2.1% per month with a proration for members who retired after January 1, 1997 and before January 1, 1998. This increase is applicable to disability and survivor benefits regardless of age. k) Effective January 1, 2001, the benefits of retired members who had attained age 62 and who had retired prior to January 1, 1999 were increased by 2.6% per month with a proration for members who retired after January 1, 1999 and before January 1, 2000. This increase is applicable to disability and survivor benefits regardless of age.
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. For 2025, the limit is \$350,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2025, the limit is \$280,000.

Plan Provisions shown below of the former Canadian Airlines International Ltd. Retirement Plan for United States Employees apply to benefits for service earned by former Canadian Airlines employees prior to July 1, 2001.

Definitions

• Plan Formula	1.4% of Final Average Earnings (FAE) minus 1.4% of Social Security for each year of participation up to 35 years. Wardair employees receive benefits earned under their prior plan up to 6/30/90 plus benefits under the Canadian Airlines formula for service on and after 6/30/90. This formula is used for service through 7/1/2001. For service after 7/1/2001, the Air Canada formula is used.
• Final Average Compensation	Average of the highest compensation during 60 months of consecutive service.

Schedule SB, Part V — Summary of Plan Provisions

• Pensionable Compensation	Compensation prior to 7/1/2001 was based on basic salary excluding overtime pay, bonuses, commissions, reimbursement of expenses or other special payments. Compensation after 7/1/2001 is based on the Air Canada definition applicable to employees hired on or after January 1, 1989.
• Normal Retirement Age	Age 65 with 5 years of service.
• Lump Sum Availability	Lump sum option available for benefit earned to June 30, 2001.
Early retirement	
• Eligibility	Age 55 with 10 years of Continuous Service.
• Benefit	Unreduced benefits available on or after age 62. Prior to age 62, benefit earned to early retirement date, reduced by $\frac{1}{4}$ of 1% for each month of payment before age 62 if retiring from active employment, reduced $\frac{1}{2}$ of 1% for each month of payment before age 65 if retiring from terminated vested status.
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. For 2025, the limit is \$350,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2025, the limit is \$280,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, are included in this valuation:

- **Plan amendments excluded:** None.
- **Late retirement increases:**
 - *Active participants:* The plan provides that benefit suspension notices to be supplied to participants who work beyond normal retirement; therefore, continued benefit accruals after normal retirement are valued. Late retirement actuarial increases are not valued for actives.
 - *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.
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - 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. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements. There are no scheduled benefit increases.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan provision changes since prior valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2024 to 2025.

Air Canada U.S. Pension Plan

Schedule H (Line 4i) Form 5500 – Schedule of Assets (Held at End of Year)

As of December 31, 2025

(expressed in US dollars)

(b) Identity of issuer, borrower, lessor or similar party	(c) Par value or number of units held	(d) Cost	(e) Current value
Cash and Money market funds			
Cash and Short Term Investment Fund (State Street Bank and Trust Company)*	144,833	144,833	144,833
State Street Institutional Treasury Money Market Fund*	2,369,784	2,369,784	2,369,784
	2,514,617	2,514,617	2,514,617
Fixed income investments and funds			
Mercer Active Long Corporate Investment Portfolio	2,599,545	43,891,394	48,949,441
Mercer Opportunistic Fixed Income Portfolio	922,022	10,419,905	12,438,072
Mercer US Core Real Estate	10,347	10,000,000	10,233,403
Mercer Passive Long Government Fixed income	454,113	8,793,701	8,850,663
Mercer Private Investment Partners VIII	2,912,248	2,912,248	3,137,123
US Treasury Note, 3.625%, 02/15/2053	2,115,000	1,884,333	1,712,325
US Treasury Note, 3.625%, 05/15/2053	2,095,000	1,867,987	1,694,750
US Treasury Note, 4.125%, 08/15/2053	1,335,000	1,301,834	1,181,782
US Treasury Note, 4.250%, 02/15/2054	1,845,000	1,728,679	1,667,991
US Treasury Note, 4.250%, 08/15/2054	785,000	772,949	709,750
US Treasury Note, 4.750%, 05/15/2055	125,000	125,205	122,833
US Treasury Strip, 08/15/2053	6,325,000	1,890,100	1,611,041
US Treasury Strip, 11/15/2037	3,255,000	1,696,799	1,902,124
US Treasury Strip, 11/15/2038	2,410,000	1,271,853	1,328,874
	27,188,275	88,556,987	95,540,172
Hedge fund			
Mercer ERISA Hedge Fund Investors Portfolio	7,213	10,300,000	12,690,780
US Equity funds			
Mercer US Small/mid Cap. Equity Portfolio	43,045	1,647,507	2,242,208
Mercer US Large Cap Passive Equity Portfolio	226,842	12,776,379	18,682,716
	269,887	14,423,886	20,924,924
Foreign Equity funds			
Mercer Non-US Core Equity Portfolio	230,677	5,493,527	8,599,654
Mercer Emerging Markets Equity Portfolio	237,570	2,675,007	3,760,739
	468,247	8,168,534	12,360,393
Total Equity funds		22,592,420	33,285,317
Total investments		123,964,024	144,030,886

* Party-in-interest as defined by ERISA

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	2025 installment
2023	\$ 21,417,320	13	\$ 2,196,209
2024	(7,746,726)	14	(754,684)
2025	12,483,682	15	1,161,047
Total	\$ 26,154,276		\$ 2,602,572

Schedule SB, line 24 — Change in Actuarial Assumptions

- The Administrative Expense load added to normal cost was increased from \$1,300,000 to \$1,700,000 to reflect our expectations for the current plan year.
- Assumption related to retirement rates, withdrawal rates, spouse age married percentage, salary scale and election percentage in form of payment has been changed since prior valuation.