

1. Basic Group Life Insurance

BASIC GROUP LIFE INSURANCE - POLICY 132908													
RETIREMENT BENEFITS													
PLAN HIGHLIGHTS	EMPLOYEE GROUP	COVERAGE	COST										
<ul style="list-style-type: none"> • TAKES EFFECT 31 DAYS FROM DATE OF RETIREMENT • REMAINS IN EFFECT FOR THE LIFE OF RETIREE • **EFFECTIVE APRIL 1, 2005, IN ORDER TO BE ELIGIBLE FOR POST RETIREMENT BENEFITS EMPLOYEE MUST MEET ONE OF THE FOLLOWING CRITERIA: <ul style="list-style-type: none"> • 25 YEARS OF CONTINUOUS OR QUALIFYING SERVICE, OR • AGE PLUS CONTINUOUS OR QUALIFYING SERVICE EQUAL TO 80 POINTS, OR • AGE 65 (AGE 60 FOR PILOTS) 	<ul style="list-style-type: none"> • C.A.W. • AEROPLAN • CREW SCHEDULERS • IAMAW MASTER • IAM - WINNIPEG FINANCE • CALDA • ATS • CUPE*** • IAM-CLERICAL (EFFECTIVE APRIL 1, 2005) 	<ul style="list-style-type: none"> • 25% OF ACTIVE COVERAGE TO A MAXIMUM OF \$10,000 <p>***FOR PURSERS/ASST. PURSERS/FLT. SVC DIRECTORS 25% OF ACTIVE COVERAGE TO A MAXIMUM OF \$12,500</p>	PAID BY THE COMPANY										
	<ul style="list-style-type: none"> • MANAGEMENT 	<ul style="list-style-type: none"> • 25% OF ACTIVE COVERAGE TO A MAXIMUM OF: <table style="margin-left: 20px;"> <tr><td>SENIOR A:</td><td>\$62,500</td></tr> <tr><td>SENIOR B:</td><td>\$37,500</td></tr> <tr><td>MIDDLE:</td><td>\$31,250</td></tr> <tr><td>2ND LEVEL:</td><td>\$25,000</td></tr> <tr><td>1ST LEVEL:</td><td>\$18,750</td></tr> </table>	SENIOR A:	\$62,500	SENIOR B:	\$37,500	MIDDLE:	\$31,250	2ND LEVEL:	\$25,000	1ST LEVEL:	\$18,750	PAID BY THE COMPANY
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<p>**TO BE ENTITLED TO FULL AMOUNT OF POST RETIREMENT COVERAGE YOU NEED TO RETIRE WITH AT LEAST 15 YEARS OF AIR CANADA SERVICE. IF YOU HAVE LESS THAN 15 YEARS OF AIR CANADA SERVICE YOUR COVERAGE WILL BE PRORATED PROPORTIONATELY.</p> <p>FORMER CAIL ACPA SHOULD REFER TO PROVISIONS OF MUNROE AWARD WHICH TOOK EFFECT JANUARY 1, 2004.</p>	<p><u>ACPA</u></p> <ul style="list-style-type: none"> • CAPTAIN • FIRST & SECOND OFFICER 	<p>CAPTAINS \$25,000 1ST & 2ND OFF \$17,500</p>	PAID BY THE COMPANY										

OPTIONAL LIFE INSURANCE - POLICY 132880 (BASIC GROUP LIFE)			
PLAN HIGHLIGHTS	EMPLOYEE GROUP	COVERAGE	MONTHLY COST
<ul style="list-style-type: none"> • NO EVIDENCE OF INSURABILITY REQUIRED • NO WAIVER OF PREMIUM • NO SUICIDE EXCLUSION • NO DEPENDENT LIFE COVERAGE UNDER THIS PLAN • **EFFECTIVE APRIL 1, 2005, IN ORDER TO BE ELIGIBLE FOR POST RETIREMENT BENEFITS EMPLOYEE MUST MEET ONE OF THE FOLLOWING CRITERIA: <ul style="list-style-type: none"> • 25 YEARS OF CONTINUOUS OR QUALIFYING SERVICE, OR • AGE PLUS CONTINUOUS OR QUALIFYING SERVICE EQUAL TO 80 POINTS, OR • AGE 65 (AGE 60 FOR PILOTS) 	ALL GROUPS (EXCEPT ACPA)	50% OF ACTIVE COVERAGE TO AGE 60; 25% OF ACTIVE COVERAGE TO AGE 65; TERMINATES THEREAFTER	\$0.232 PER \$1,000 OF COVERAGE 100% RETIREE PAID
	ACPA	50% OF ACTIVE COVERAGE TO AGE 55; 25% OF ACTIVE COVERAGE TO AGE 60; TERMINATES THEREAFTER	\$0.232 PER \$1,000 OF COVERAGE 100% RETIREE PAID

2. Voluntary Accidental Death, Dismemberment & Loss of Use Insurance Plan

VOLUNTARY ACCIDENTAL DEATH , DISMEMBERMENT & LOSS OF USE INSURANCE PLAN - POLICY 4916			
PLAN HIGHLIGHTS	EMPLOYEE GROUP	COVERAGE	MONTHLY COST
<ul style="list-style-type: none"> • COVERAGE IS WORLD-WIDE, 24 HOURS A DAY, 365 DAYS A YEAR AGAINST ACCIDENTS INCLUDING ACCIDENTS THAT OCCUR WHILE RIDING AS A PASSENGER IN ANY LICENSED CIVILIAN AIRCRAFT. • <u>TERMINATION OF BENEFITS:</u> AT THE END OF MONTH IN WHICH AUTHORITY FOR PAYROLL DEDUCTION IS WITHDRAWN. 	• RETIREES UNDER AGE 65:	<ul style="list-style-type: none"> • LIMITED TO \$50,000 <u>TYPES OF COVERAGE:</u> <ul style="list-style-type: none"> • EMPLOYEE ONLY • EMPLOYEE AND FAMILY • EMPLOYEE AND CHILDREN 	<u>FOR \$50,000 COVERAGE:</u> EMPLOYEE ONLY: GROUND: \$0.80 EMPLOYEE & FAMILY: GROUND: \$1.24 EMPLOYEE & CHILDREN: GROUND: \$0.96 100% PAID BY RETIREE
	<ul style="list-style-type: none"> • **EFFECTIVE APRIL 1, 2005, IN ORDER TO BE ELIGIBLE FOR POST RETIREMENT BENEFITS EMPLOYEE MUST MEET ONE OF THE FOLLOWING CRITERIA: <ul style="list-style-type: none"> • 25 YEARS OF CONTINUOUS OR QUALIFYING SERVICE, OR • AGE PLUS CONTINUOUS OR QUALIFYING SERVICE EQUAL TO 80 POINTS, OR • AGE 65 (AGE 60 FOR PILOTS) 	• RETIREES OVER AGE 65:	<ul style="list-style-type: none"> • RETIREES OVER 65 LIMITED TO \$50,000/ SPOUSE \$25,000

3. Supplementary Life Insurance Coverage

SUPPLEMENTARY LIFE INSURANCE -POLICY 19985			
PLAN HIGHLIGHTS	EMPLOYEE GROUP	COVERAGE	MONTHLY COST
<p><u>TERMINATION OF COVERAGE:</u></p> <ul style="list-style-type: none"> • WHEN AUTHORITY FOR PAYROLL DEDUCTION IS WITHDRAWN • CONVERSION OPTION? - YES <ul style="list-style-type: none"> - EMPLOYEE ONLY - NO EVIDENCE OF INSURABILITY REQUIRED IF REQUESTED BEFORE AGE 65 • **EFFECTIVE APRIL 1, 2005, IN ORDER TO BE ELIGIBLE FOR POST RETIREMENT BENEFITS EMPLOYEE MUST MEET ONE OF THE FOLLOWING CRITERIA: <ul style="list-style-type: none"> • 25 YEARS OF CONTINUOUS OR QUALIFYING SERVICE, OR • AGE PLUS CONTINUOUS OR QUALIFYING SERVICE EQUAL TO 80 POINTS, OR • AGE 65 (AGE 60 FOR PILOTS) 	<p>ALL RETIREES & THEIR DEPENDENTS</p>	<ul style="list-style-type: none"> • RETIREE COVERAGE <ul style="list-style-type: none"> - LIMITED TO 5 UNITS OF \$10,000 (\$50,000) • DEPENDENT COVERAGE – RETIREES UNDER 65 <ul style="list-style-type: none"> - 7 OPTIONS - \$5,000 EACH - FOR SPOUSE - \$2,500 EACH - FOR CHILDREN UNDER 25 - RETIREES OVER AGE 65 - LIMITED TO 1 OPTION <p>CEASES AT AGE 70</p>	<p><u>EMPLOYEE COVERAGE:</u> AS OF JUNE 1, 2003</p> <p>PER UNIT OF \$10,000 - AGE BAND</p> <p>18 TO 34 = \$0.49 35 TO 39 = \$0.68 40 TO 44 = \$0.99 45 TO 49 = \$1.54 50 TO 54 = \$2.34 55 TO 59 = \$3.93 60 TO 64 = \$4.91 65 TO 70 = \$7.37</p> <p><u>DEPENDENT COVERAGE:</u></p> <p>\$0.62 PER OPTION</p> <p>100% PAID BY RETIREE</p>

4. Retired Health Plans

If you retire from a Canadian work location, at retirement you have the option of choosing between one of two Health Plans for Retirees. These Plans provide supplemental coverage to help you bear the cost of medical expenses not covered by your provincial health plan. Although these plans do not cover all medical expenses, they do cover many additional expenses that you may incur.

- (a) Plan One: This Plan is designed as a basic supplement to your provincial health care plan. The cost of this Plan is entirely paid by Air Canada. Sun Life of Canada administers this Plan under contract number 23212.
- (b) Plan Two: This Plan provides all of the benefits offered under the Basic Health Plan, plus enhanced coverage for certain medical expenses and coverage for some expenses, such as dental benefits. The cost of the Voluntary Supplementary Health Plan is paid by you. The contributions you are required to pay vary depending on your province of residence, your age and the number of dependents you wish to cover. Sun Life of Canada administers this Plan under contract number 25240.

AIR CANADA RETIRED HEALTH PLANS

- ****EFFECTIVE APRIL 1, 2005, IN ORDER TO BE ELIGIBLE FOR POST RETIREMENT BENEFITS EMPLOYEE MUST MEET ONE OF THE FOLLOWING CRITERIA:**
 - 25 YEARS OF CONTINUOUS OR QUALIFYING SERVICE, OR
 - AGE PLUS CONTINUOUS OR QUALIFYING SERVICE EQUAL TO 80 POINTS, OR
 - AGE 65 (AGE 60 FOR PILOTS)
- **TO BE ENTITLED TO FULL LIFETIME MAXIMUM AMOUNT UNDER THE BASIC HEALTH PLAN, YOU MUST RETIRE WITH AT LEAST 15 YEARS OF AIR CANADA SERVICE. IF YOU HAVE LESS THAN 15 YEARS OF AIR CANADA SERVICE YOUR LIFETIME MAXIMUM WILL BE PRORATED PROPORTIONATELY.**
- **THERE IS NO PRO-RATION OF THE LIFETIME MAXIMUM FOR THE VOLUNTARY SUPPLEMENTARY HEALTH PLAN**
- **THE POST RETIREMENT ENTITLEMENT DATE HAS BEEN SET AT JULY 1, 2000 FOR ALL FORMER CAIL EMPLOYEES. EXCEPT ACPA WHOSE DATE HAS BEEN SET AT APRIL 1, 2000**

	BASIC RETIRED HEALTH PLAN POLICY 23212	VOLUNTARY SUPPLEMENTARY HEALTH PLAN POLICY 25240
DEDUCTIBLE	\$50 PER PERSON; MAX. \$100 PER FAMILY PER YEAR	\$50 PER PERSON; MAX \$100 PER FAMILY PER YEAR
CO-INSURANCE	80% - FOR FIRST \$500 AFTER SATISFYING DEDUCTIBLE 100% - THEREAFTER	80% - FOR FIRST \$500 AFTER SATISFYING DEDUCTIBLE 100% - THEREAFTER
LIFETIME MAXIMUM IN CANADA	\$7,500	\$50,000
OUTSIDE CANADA	\$12,500	\$25,000
ANNUAL REINSTATEMENT	LESSER OF: ▪ CLAIMS PAID IN THE PRIOR YEAR, OR ▪ \$750 (NOT PRO-RATED)	LESSER OF: ▪ CLAIMS PAID IN THE PRIOR YEAR, OR ▪ \$2,000
•BASIC HOSPITAL	100% SEMI-PRIVATE (AFTER CO-INSURANCE FACTOR) (UNLIMITED)	100% SEMI-PRIVATE (AFTER CO-INSURANCE FACTOR) (UNLIMITED)
COORDINATION BETWEEN EMPS.	NO	YES - ONLY BETWEEN ACTIVE HEALTH PLAN AND VSHP
ELIGIBLE EXPENSES: •DRUGS	PRESCRIBED ONLY	PRESCRIBED ONLY
•REGISTERED NURSE	60% TO MAX. OF \$30 PER DAY (NO LIMIT)	80% TO MAX. OF \$75 PER DAY (\$25,000 LIMIT)
PARAMEDICAL SERVICES (IN PROVINCES WHERE NOT COVERED BY PROVINCIAL MEDICARE PLAN)	CHIROPRACTOR ONLY; \$10 PER VISIT; MAX. \$150 PER PERSON/\$300 PER FAMILY PER YEAR (\$25 FOR X-RAYS)	CHIROPRACTOR; OSTEOPATH; PODIATRIST NATUROPATH; \$15 PER VISIT MAX. \$300 PER PERSON/\$600 PER FAMILY PER YEAR (\$50 FOR X-RAYS)
PSYCHOLOGIST	NO	MAX. \$300 PER PERSON PER YEAR (RECEIPT OF DIAGNOSIS REQUIRED)
PHYSIOTHERAPIST	USUAL & CUSTOMARY	USUAL & CUSTOMARY
SPEECH THERAPIST	ONLY IN AFTERMATH OF STROKE OR ACCIDENT	ONLY IN AFTERMATH OF STROKE OR ACCIDENT

	BASIC RETIRED HEALTH PLAN POLICY 23212	VOLUNTARY SUPPLEMENTARY HEALTH PLAN POLICY 25240
ORTHO PAEDIC SHOES	YES – REDUCED BY COST OF ORDINARY SHOES; \$75 - MEN - \$68 WOMEN - \$36 CHILDREN	YES - REDUCED BY COST OF ORDINARY SHOES; \$75 - MEN; \$68 - WOMEN; \$36 - CHILDREN
ORTHO APPLIANCES	COVERED	COVERED
HEARING AIDS	NO	\$300 PER PERSON IN ANY 5 YEAR PERIOD
DIAGNOSTIC - X-RAYS - LAB. TESTS	COVERED	COVERED
AMBULANCE	COVERED	COVERED
THERAPEUTIC EQUIP.	COVERED	COVERED
OXYGEN & ITS ADMIN.	COVERED	COVERED
VISION CARE: •VISION EXAM* •EYEGASSES/CONTACTS	\$35/24 MONTHS NO	\$35/24 MONTHS NO
DENTAL PLAN	NO	YES: DENTAL COVERAGE - \$800. ANNUAL MAXIMUM PER PERSON/YEAR DEDUCTIBLE: THERE IS NO DEDUCTIBLE FOR ORAL EXAMS; FOR OTHER TREATMENTS \$25 PER PERSON; \$50 PER FAMILY PER YEAR <u>THE PLAN REIMBURSES THE FOLLOWING 4 TYPES OF SERVICES RENDERED BY A LICENSED PRACTITIONER:</u> 100% - ORAL EXAMINATIONS 100% - CLEANING AND SCALING 75% - BASIC SERVICES 50% - ALL OTHER SERVICES \$550 PER YEAR FOR CROWNS BRIDGES & DENTURES
*EYE EXAMINATIONS ONLY IN PROVINCES WHERE NOT COVERED BY PROVINCIAL MEDICARE PLAN		

Continuous Service means the date marking the start of the last continuous employment with the company, also called last date of hire (includes the number of years of continuous service on record at Canadian Airlines at time of integration in 2000). Continuous Service does not include any period where the employment was terminated and employee was later rehired.

Qualifying Service represents a period of service as a member of a defined benefit pension (DB) plan sponsored by the Company and as defined in the pension plan rules. It is the period of employment, while a member of the pension plan, for which compensation is paid (includes any period during which the member receives indemnity from an approved disability plan; any period of leave - such as maternity/parental leave or special leave; any period of previous employment, or period of pre-employment military service that the member elected to buy back in the pension plan, if the pension plan rules so permit).