

PRODUCT DISCLOSURE STATEMENT

— LOSS OF LICENCE PROTECTION

EFFECTIVE 1 MAY 2025





INTRODUCTION

This Product Disclosure Statement (**PDS**) is issued by Austair Pilots Pty Ltd (ACN 005 111 731, AFSL 344259) (**Austair**) and is for the offer by Australian Air Pilots Mutual Benefit Fund (**MBF**, also described throughout this document as **the Fund**) of the Loss of Licence Product (also described throughout this document as the (**Product**)). The terms and conditions of the Product are contained in the MBF Rules (**Rules**), which are available from the MBF website (www.aapmbf.com.au). In the event that you are accepted as a Member (**Member**) under the Rules, Austair will have “issued” the Product to you. Austair has authorised this PDS for the Product.

GENERAL INFORMATION

This PDS is for your general information only. It is not intended to be a recommendation by Austair to acquire the Product. This PDS does not take into account the financial situation or needs of any particular person. You should not base your decision to acquire the Product solely on the information in this PDS. You should consider the suitability of the Product in view of your financial position and needs and you may want to obtain advice before making a decision to acquire the Product.

The Product is offered and issued by Austair on the terms and conditions described in this PDS and the Rules. You should read this PDS and the Rules in their entirety, as you will become bound by them if you acquire the Product. Membership eligibility criteria applies. Refer to page 6 for details.

Some information in this PDS is subject to change. Austair will notify its Members of any changes that have an impact on the Product generally, or of any other significant events that affect the information in this PDS. The latest PDS can be obtained from www.aapmbf.com.au or in hard copy (free of charge) by telephoning +61 3 9928 4500 or 1300 380 300.

ISSUER

Austair is the corporate trustee (**Trustee**) of the Fund and is the issuer of the Product. Austair can be contacted:

By mail: Level 1
132-136 Albert Road
South Melbourne VIC 3205

By phone: +61 3 9928 4500 or 1300 380 300

By email: membership@aapmbf.com.au

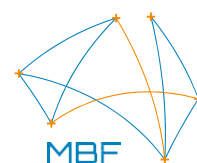
Website: www.aapmbf.com.au

INFORMATION ABOUT THE ISSUER'S FINANCIAL SERVICES LICENCE

Austair holds Australian Financial Services Licence (**AFSL**) number 344259 issued by the Australian Securities and Investments Commission (**ASIC**).

Austair is not authorised under the Insurance Act 1973 (Cth) to conduct insurance business in Australia. Austair and the Product are not subject to the provisions of the Insurance Act 1973 (Cth), which establishes a system of financial supervision of general insurers in Australia, and are not regulated by the Australian Prudential Regulation Authority (**APRA**). Austair is regulated by the Australian Securities and Investments Commission (ASIC).

Austair will estimate the future liabilities of, or future payments by, the MBF to persons who acquire the Product and will implement and maintain financial monitoring procedures to ensure that it has the financial resources to discharge future liabilities or make future payments to holders of the Product.





AUSTRALIAN AIR PILOTS MBF PRODUCT FEATURES

WHAT IS THE PRODUCT?

The MBF Product provides financial support to commercial pilots who are unable to exercise the privileges of their pilot's licence due to the failure to meet the standards of the Class 1 Medical Certificate (**Class 1**) of the Civil Aviation Safety Regulations (**CASR**) 1998 (Cth) as a result of an illness or injury which is covered by the Rules of the Fund and which occurs during (but not prior to) the period of cover and meets the conditions of the relevant Rules which were enforced at the time of the failure of the Class 1 and accepted by the Trustee as the Date of Disability.

Persons who acquire the Product will become Members of the MBF and will be required to make annual contributions (**Contributions**) in accordance with the Contribution and Benefits Scale (**Contributions Scale**) for the MBF year 1 May to 30 April. Contributions are reviewed annually. The current Contribution and Benefits Scale is set out on the Fund's website (<https://www.aapmbf.com.au/contributions-benefits-scale>).

Austair reserves the right to impose Limited Cover or Zero Cover (Cover Restrictions) for Pre-Existing Medical Conditions in accordance with the Rules.

The rights and obligations of the Members and Austair are set out in the Rules. Members may obtain a copy of the Rules at www.aapmbf.com.au or in hard copy (free of charge) by telephoning +61 3 9928 4500 or 1300 380 300.

ELIGIBILITY FOR BENEFITS

Members may be eligible to receive Benefits upon temporary or permanent suspension or cancellation of their Class 1 Medical Certificate by Civil Aviation Safety Authority (**CASA**), or a CASA delegate being a Designated Aviation Medical Examiner (**DAME**), subject to the Rules.

The level of payment a Claimant is eligible to receive depends on the type and level of Benefit for which they have contributed in accordance with the Contribution Scale and any cover restrictions. A description of the Benefits are in the schedule, commencing on page 5.

Members may operate on a foreign equivalent medical certificate but the basis for all Benefit claims shall be the failure to meet the Class 1 Medical Certificate issued by CASR.

DEFINITIONS

For the purposes of interpreting this PDS the following definitions have been extracted from the Rules.

Aeromedical(Iy) Significant Event Condition (also known as "ASE/C"): means any condition that might reasonably be expected to result in the cancellation or suspension of a Class 1 Medical Certificate.

Benefit(s): means a payment to a Member made in accordance with Rule 7, 8 and 9 but does not include a discretionary Refund of Contributions in accordance with Rule 3.7.

Capital Benefit Balance: means the amount calculated from the Standard Capital Benefit for which the Member has contributed at the Date of Disability, less the total of the Monthly Benefits already paid (for any current or previous claim for Monthly Benefits for any ASE/C by the Member, at any time during any period of membership, continuous or otherwise), plus the Premium Capital Benefit (if applicable). A Member may become entitled to the capital benefit balance in certain circumstances when, after the prescribed period, it has been established that the suspension or cancellation of the Member's Class 1 Medical Certificate completely meets the conditions set out in the definition of Permanently Lost.

Claimant: means a Member or authorised legal representatives, or in the event of a Member's death, a Member's Beneficiary or authorised legal representatives, who is making a claim for Benefits.

Contribution(s): means the annual amount payable (including GST) whether by Member and/or bulk billed employer as set out in the Contributions and Benefits Scale.





Date of Disability: is the date of onset or occurrence of an ASE/C and that is:

- stated by the Member;
- supported by medical practitioners and or specialists; and
- accepted by the Trustee as the date the disability commenced.

Death Benefit: means where the entitlement is due to death, a sum as the Trustee may decide from time to time but in any event such sum shall not exceed \$400,000 and will be paid in addition to the Capital Benefit Balance.

Fund Year: means the 12-month period from 1 May to 30 April next succeeding.

Limited Cover (formerly “Exclusion of Liability (Exclusion)”): means limited cover (reduced benefit) amount for an identified ASE/C and calculated as a percentage of Benefits in accordance with Rule 7.

Monthly Benefit(s) (formerly “Disability Benefit”): means the gross monthly amount to which a Member may become entitled to receive in accordance with Rule 7.

Notification of an Aeromedical(Iy) Significant Event/Condition (also known as “Notification”): means communication to the Fund in a manner or form prescribed by the Trustee advising that the Member has experienced an ASE/C.

Permanent(Iy) Loss(t): means a Member has completely satisfied all of the following conditions for Permanent failure to meet Medical Standard 1 and Permanent Loss of their Class 1 Medical Certificate;

- The refusal by CASA to grant a Class 1 Medical Certificate under Part 67 of the Civil Aviation Safety Regulations 1998 (Cth) (or amended).
- The Trustee must have made consideration of all medical and other such evidence as required by and as described in the Rules included but not limited to whether the Member has followed a treatment plan and whether there is no other medical treatment available for which the Member could undertake to regain their Class 1 Medical Certificate;
- The Trustee may at its sole and absolute discretion conclude that the Member is unlikely ever to be able to regain a Class 1 Medical Certificate.

Piloting Activities: means activities that require the Member to hold a commercial pilot licence or higher and a Class 1 Medical Certificate to conduct those duties, or

Activities that rely substantially on the skills and experience gained whilst exercising the privileges of a Class 1 Medical and appropriate grade of pilot licence.

Activities that will be used for the purpose of applying these Rules to calculate Piloting Income.

Piloting Income:

Means the annual gross income generated from Piloting Activities and aviation related activities that will be used for the purposes of applying these Rules and will be calculated as follows;

Employees:

In the case of employees, the Member’s base annual salary derived from Piloting Activities plus any special duties or supervisory allowances the Member would normally receive.

Contractors:

In the case of contractors, casual workers, fixed term employees or other Members who do not earn a regular salary, the amount of Piloting Income shall be determined based on the annual gross income from Piloting Activities as disclosed in the most recent income tax return lodged with the ATO or such other evidence as determined by the Trustee.

In both cases for Employees and Contractors, Piloting Income does not include superannuation, travel, overtime, location, allowances of an intermittent or occasional nature, or income derived from other sources.



Pre-existing Medical Condition: means a condition that was in existence, whether diagnosed or not, which in the opinion of a qualified medical practitioner acceptable to the Trustee, existed at any time in the period prior to the date which:

- the person joined the Fund and became a Member; or
- the Member begins contributing for an increased Standard Capital Benefit; or
- the Member begins contributing for the Premium Capital Benefit, (as the case may be).

Provisional Cover: means cover which is granted at the time of processing an application for Membership which meets the conditions of the Rules and is subject to Zero Cover for any declared medical conditions. Provisional Cover means the pilot will not be entitled to membership rights, other than the coverage for Benefits, until the Trustee has accepted their membership in accordance with Rule 2.

Provisional cover will not commence until the latter of;

1. the payment of contributions is received, or confirmation from the applicant's employer is received in lieu of payment, and/or
2. medical data and supporting medical information requested by the Trustee is received, assessed and either accepted or rejected by the Board, or for imposition of any Exclusion or Denial of Liability.

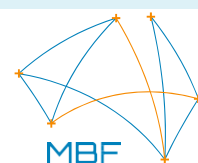
Waiting Period – Capital Benefit (also known as “Capital Waiting Period”): means eighty-four (84) days after the Date of Disability.

Waiting Period – Monthly Benefit(s) (also known as “Monthly Benefit Waiting Period”): means twenty-eight (28) days after the Date of Disability.

Zero Cover (formerly “Denial of Liability (Denial)”): means zero cover for the ASE/C imposed at the time of first joining or when applying for an increase in benefits. No benefits whatsoever apply to claims for benefits for those conditions for which zero cover has been applied.

STANDARD CAPITAL BENEFIT (including Monthly Benefit)

Type of Benefit	Amount of Benefit	Frequency of payment(s)
Monthly Benefit (Temporary Loss of Licence) Monthly payment while Class 1 Medical Certificate is suspended or cancelled.	Monthly Benefit payments shall be capped at a gross payment of \$15,000 per month but shall not be more than one twelfth of a Claimant's annual Piloting Income at the Date of Disability. Notwithstanding Rule 7.3.1, Monthly Benefit payments for Unemployed Members and Members who earn income less than \$120,000 per annum will be eligible for a gross payment of \$10,000 per month.	Payable for up to 24 months unless otherwise restricted in duration in accordance with the conditions and durations within Rule 7 – Appendix A as extracted from the Rules commencing from page 12. Monthly payments are subject to the approval of the Austair Board.
Capital Benefit (Permanent Loss of Licence) Capital Benefit Balance payment if Class 1 Medical Certificate has been suspended or cancelled and Austair, after meeting the conditions of Rule 8, has firmly established to its satisfaction, that the suspension or cancellation of the Member's Class 1 Medical Certificate is permanent.	Standard Capital Benefit for which the Member contributed in the MBF year during which the disability commenced (minus any Monthly Benefit already paid).	Lump sum payment



PREMIUM CAPITAL BENEFIT

Only Members who make Contributions for the maximum Standard Capital Benefit available to them as per the Contribution and Benefits Scale, are eligible to make Contributions for the Premium Capital Benefit.

Type of Benefit	Amount of Benefit	Frequency of payment(s)
Capital Benefit (Permanent Loss of Licence) Paid in addition to the Standard Capital Benefit.	\$200,000 The Premium Capital Benefit is not used when calculating Monthly Benefits and is only added to the Standard Capital Benefit when the benefit amount is calculated for Permanent Loss of Licence.	Lump sum payment

ADDITIONAL DEATH BENEFIT

Type of Benefit	Amount of Benefit	Frequency of payment(s)
Payment made to the Member's nominated beneficiaries or their estate upon death of Member in accordance with the Rules, which excludes payment of a death benefit under the specified conditions of Rule 6.3.	Standard Capital Benefit (minus any Disability Benefits already paid) plus the Premium Capital Benefit (if applicable) plus the Death Benefit. The Death Benefit is an additional benefit of a base amount of \$150,000. The Death Benefit increases by \$10,000 for each full year of membership to a total maximum Death Benefit of \$400,000. The Death Benefit must not exceed the Standard Capital Benefit.	Lump sum payment

MEMBERSHIP ELIGIBILITY

Initial Member Applicants

Persons who meet all of the below eligibility criteria, may make an application to join the Fund. Such an application is subject to approval by the Trustee, who may elect to reject or impose additional conditions/criteria at the sole and absolute discretion of the Trustee.

At the time of making application for membership of the Fund, a Member Applicant must:

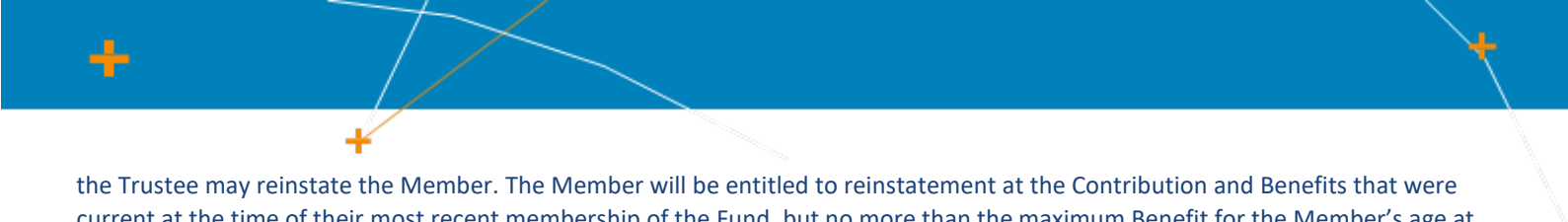
- hold a commercial pilot licence or higher;
- hold a Class 1 Medical Certificate;
- be aged less than 50 years;
- be a Financial Member of AFAP; in establishing compliance with this Rule and eligibility for fund membership, evidence of AFAP membership must be made available by the Member to the Trustee on request.
- derive their principal source of income from Piloting Activities; and
- Except for those Members who were residents outside of Australia as at 9 October 2010, all Member Applicants and Members must be either:
 - Australian citizens; or
 - Resident in Australia; or
 - meet the conditions of Rule 2.2.2.7 (Members not an Australian Citizen or Resident in Australia).

Reinstatement(s) – Reinstated Membership

Reinstatement applications must meet the Member Applicants eligibility criteria as per Rule 2.2 (Initial Member Applicants) excepting Rule 2.2.2.3 (be aged less than 50 years).

Where a former Member applies to the Fund in circumstances where they:

- had previously been a Member of the Fund for not less than 5 years continuously; and
- had been absent from the Fund membership for no more than 6 years preceding the date of their reinstatement application,



the Trustee may reinstate the Member. The Member will be entitled to reinstatement at the Contribution and Benefits that were current at the time of their most recent membership of the Fund, but no more than the maximum Benefit for the Member's age at the date of reinstatement.

The Trustee may apply this exception to a Member once only.

A pilot cannot become reinstated as a Member if they were previously a Member and:

- Were paid any Benefits to which they were entitled due to a loss of their Class 1; or
- Were paid any discretionary Refund of Contributions in accordance with the Rules.
- Notwithstanding Rules 2.4.3.1 and 2.4.3.2, and at the sole and absolute discretion of the Trustee's acceptance, the reinstatement applicant must satisfy all of the other eligibility requirements of Rule 2.4 and repay all monies received in this manner to the Fund in order to be reinstated.

CONTRIBUTIONS – FEES AND OTHER COSTS

The cost to Members acquiring the Product is an annual Contribution, which is based on a sliding scale depending on the level of Standard Capital Benefit for which the Member applies, the Member's age at joining the Fund, and the Member's current age. MBF reviews the Contributions Scale annually and under Rule 3.5 must review the performance of the Fund in providing Benefits at period not in excess of 24 months. Other provisions of the Rules may also affect the level of Contributions payable.

Where a Member contributes for the maximum Standard Capital Benefit available to them, that Member is eligible to apply, and contribute to, the Premium Capital Benefit. The Premium Capital Benefit is available at a value and at a rate as determined annually by MBF and published in the Contributions Scale. Members may only apply for the Premium Capital Benefit before the age of 50.

A Member's ability to increase and/or decrease the benefits for which they contribute is limited according to the Member's previous Contributions, the age at which they entered the MBF and their current age. The Contributions Scale is structured to support early joining of the MBF, and any increases in benefits after the age of 40 will be at the joining band representing the age at which the increase was requested.

Contributions are treated as revenue to the Fund and are not investments or monies held on behalf of a specific Member. The surpluses of the Fund become part of the assets of the Fund. Administration expenses (including investment advice, legal and accounting fees and other expense recoveries) are paid by Austair from the MBF's revenue and investment income from assets, and do not affect the level of Benefit payable to Members.

Annual Membership Renewal

All Members must complete the annual renewal process by 31 May or a later date as advised by the Trustee each year, which may include a health questionnaire/declaration. This includes Members whose Contributions are paid in full or in part directly to the Fund by the Member's employer, claimants and Members who have notified the MBF of the failure of their Class 1 Medical Certification. Your membership will not be valid until the renewal questions are completed and your Contribution has been paid. Failure to complete the annual membership renewal process will result in cessation of membership. This occurs automatically in accordance with Rule 10.2.

Payments by Instalments

The Trustee may provide options for payment of the Contribution by instalments throughout the Fund Year.

Member's paying their Contribution by monthly instalment must adhere to the Monthly Payments Terms and Conditions as set out on the Fund website (<https://www.aapmbf.com.au/policies/mbf-monthly-payments-tcs>).

Where a Member becomes a Claimant, payment by instalments is no longer available and any unpaid Contributions amount must be paid in full prior to the commencement of receiving any Benefit for each fund membership year as a Claimant.

In the event of a Member who pays by instalment and wishes to voluntarily resign from the Fund, the date of resignation will be determined as the final day for which payment of cover has been received.





Discretionary Refund of Contributions

A Member or former Member is eligible to apply for a discretionary Refund of Contributions under Rule 3.7.

The amount of payment will be equal to the total amount paid by way of Contributions to the Fund by or on behalf of the former Member, from the date of commencement of membership, where that former Member had contributed to the Fund for a period either:

- continuously for excess of 20 years, or
- for a total in excess of 25 years aggregate for a reinstated Member in accordance with Rule 2.4 or for a former Member returning to the Fund as an initial membership applicant, where any break in continuity was not due to:
 - expulsion from the Fund, or
 - expulsion from the AFAP, or
 - rejection of a membership application.

Monthly Benefits and the Capital Benefits Balance paid in respect of the loss of a Class 1 Medical Certificate shall be offset against such a discretionary Refund of Contributions.

The maximum amount of potential refund will be capped at \$75,000.

Applications for a Refund of Contributions must be made within 365 days of the Member qualifying to do so under the terms of the Rules.

MEMBERS CHANGING BENEFIT AMOUNTS

Members have the opportunity to increase their cover at the commencement of the Fund year as per Rule 4. Any increase in cover will only be effective from the date when the MBF confirms the payment of Contributions under an employer bulk billing agreement with the Fund for the payment of contributions and is verified by the Fund as covering the cost of cover, or payment of the applicable Contributions is received by MBF.

In accordance with the Rules, Members may only request an increase in the Standard Capital Benefit once after the age of 40. Where a Member aged 40 to 49 (inclusive) applies to increase benefits to the maximum Standard Capital Benefit available for the Member's category of membership and their age bracket, that Member is entitled to apply for the Premium Capital Benefit at the commencement of the Fund Year.

A Member seeking to increase their cover will have their application considered as a 'New' application and subject to the procedure of Provisional Cover as prescribed in Rule 2.5. The applicant will be required to complete a health declaration and is subject to the standard Rules on Limited Cover and/or Zero Cover for the amount of cover over and above the cover they had.

NOTIFICATION OF AN AEROMEDICAL SIGNIFICANT EVENT/CONDITION (ASE/C)

A Member shall provide a Notification in writing to the Trustee within thirty (30) days of the Date of Disability unless the Member is prevented from notifying the Trustee by reason of the ASE/C.

Any failure to notify the Trustee of the recurrence of the ASE/C (as per Rule 5.1.1) within the thirty (30) day period may result in the rejection of a Member's claim, or the imposition of an additional Capital Waiting Period or Monthly Benefit Waiting Period.

RESTRICTED BENEFITS

The following is an extract from Rule 6 Restricted Benefits, which outlines the circumstances in which the MBF is not liable to pay Benefits.

Pre-existing Medical Condition

The Trustee may impose a Limited Cover and/or Zero Cover on all or a part of a Member's Standard Capital Benefit and Premium Capital Benefit (if applicable) for any Pre-existing Medical Condition.





Limited Cover and/or Zero Cover will be imposed by the Trustee, effective from the date of:

- initially joining the Fund, or
- the commencement date of the Fund year for the increased benefit amount, or
- the Member reinstating under Rule 2.4

The Trustee shall forward all relevant information to the Fund's medical advisers or appropriate medical specialists of the Trustee's choosing for confirmation of the medical condition, at the earliest practical time.

The Member or applicant for membership shall provide any relevant information to the Trustee and the Fund's medical advisers and, when requested, authorise the Trustee and the Fund's medical advisers to consult with any relevant physician or organisation.

If, as a result of any disclosure by the applicant or Member, advice from the applicant's or Member's personal physician or specialist is required by the Fund's medical advisers, the cost associated therewith shall be borne by the Fund.

Where Limited Cover is attached to a Member's Standard Capital Benefit and Premium Capital Benefit (if applicable), the Members maximum level of Standard and Premium Capital Benefits are reduced in accordance with Rules 7.7. The Trustee may not make payments in excess of these amounts where there is a claim directly or arising from a Limited Cover Condition.

Upon requesting an increase in the Standard Capital Benefit and/or application for the Premium Capital Benefit, a Zero Cover and/or Limited Cover for Pre-existing Medical Conditions may be applied on the increase in the Standard Capital Benefit and/or the Premium Capital Benefit.

Specified Exclusions - General

The Fund may not make any benefit or Death Benefit payment nor may the Trustee approve such a payment to any party that is not a Member of the Fund (or a nominated beneficiary).

Notwithstanding any other provision in these Rules, the Fund shall not be liable, and the Trustee shall not make payments by way of benefits to a claimant where the ASE/C or Member's death is a direct result of, or arising from, any of the following:

- war, whether declared or not, but not because of a Member being killed or injured during legitimate non-military operations outside of recognised war zones;
- intentional self-injury, suicide or attempted suicide, assault where provoked by the Member, or fighting (except in bona fide self-defence);
- alcohol dependence and/or conditions or injuries arising directly or indirectly from the abuse of alcohol or drugs;
- injuries or conditions arising from the operation of an aircraft where the Member was under the influence of, or had recently utilised substances including but not limited to:
 - any drug, narcotic or other substance excluded from use due to its legal restriction and/or due to its potential ASE/C; and/or
 - prescribed medication that was being inappropriately used by a Member either due to improper dosage, reuse of old prescription medication or having failed to advise CASA of the usage of such medication in accordance with a Member's responsibilities under the Civil Aviation Act 1988 and/or Regulations.
- pregnancy and related conditions for the full duration of that pregnancy, including a period of 90 days from the conclusion of the pregnancy. Conditions that persist beyond 90 days from the conclusion of the pregnancy will be assessed for benefits in accordance with the Rules. Such benefits are not back-dated. Cover for conditions not related to pregnancy including the Member's Death Benefit, continues without restriction;
- incurred because of the exposure by the Member to danger, as determined by the Trustee (except to save human life);
- an injury, condition, illness or death suffered while the Member was undertaking or committing a criminal act;

- elective cosmetic surgery unless:
 - required to rectify the consequences of a significant physical trauma event; and/or,
 - unless such surgery is medically indicated for the maintenance of a Class 1 Medical Certificate or,
 - such conditions which are approved in advance by the Trustee having taken advice from the FMAs and specifically for the maintenance or resumption of the Medical Standard 1.
- committing an offence or failure to comply with directions given by CASA under the Civil Aviation Safety Regulations 1988 (Cth) (or amended) or any other Regulations.

Specified Conditions Ineligible for Capital Benefits

The following list of conditions for which Capital Benefit Balance will not be paid can be found as Appendix A to Rule 6.

Conditions
Aerotoxic Syndrome
Short and Long Term Complications and Disorders associated with: <ul style="list-style-type: none"> • Alcohol misuse • Substance abuse • Smoking / Vaping
All Mental Health Conditions excepting: <ul style="list-style-type: none"> • Bipolar disorder • Schizophrenia
Chronic Fatigue Syndrome including: <ul style="list-style-type: none"> • Long COVID • Myalgic encephalomyelitis • Post Glandular Fever Syndrome • Post Infectious Fatigue Syndrome • Post Lyme Disease • Post Viral Syndrome
Colour Vision Deficiency
Gastrointestinal Conditions: <ul style="list-style-type: none"> • Chronic Diarrhoea • Gastro Oesophageal Reflux Disease • Irritable Bowel Disorder • Somatization Disorder
Neurological Disorders: <ul style="list-style-type: none"> • Altered Awareness • Amnesia including Transient Global Amnesia • Aura Disorder with or without Headache • Blackouts • Cataplexy • Cavernous Hemangioma – Asymptomatic • Narcolepsy • Psychological or Conversion Disorder • Seizure Disorder

Pain:

- Chronic Headache
- Fibromyalgia
- Migraines (all types)
- Post-Surgical Pain (including after Hernia Repair)
- Post Traumatic Chronic Headache or Migraine
- Somatization Disorder

Obstructive Sleep Apnoea**Vestibular and Balance Disorders including:**

- Benign Paroxysmal Position Vertigo (BPPV)
- Dizziness
- Endolymphatic Hydrops
- Labyrinthitis
- Meniere's Disease
- Post Traumatic Vertigo
- Vestibular Neuritis

Third Party Claim Liability and 'Top-Up' Payments

Subject to Rule 6.5.4, the Fund shall not be liable to make payment of Benefits to a Claimant where the Claimant's Class 1 Medical Certificate has been suspended or Permanently Lost for any disability in respect of which, in the Trustee's reasonable opinion, the Claimant either is currently or would be entitled to receive any periodical or other payments. These include, but not limited to workers' compensation, transport or other accident compensation, employer periodical payments (including 'make up payments'), state / federal legislation, or public or other liability claims except those payments made under Rule 6.5.4.

Where the Claimant provides evidence that the aggregate payment amount received per month from the third-party or employer is less than the Claimants' maximum rate of Monthly Benefits under Rule 7, a Claimant may be eligible for a partial payment for the difference between the Claimants' maximum rate of Monthly Benefits under Rule 7.

The Claimant must not receive combined payments from the Fund and from the third-party that would exceed the Monthly Benefits the Claimant would otherwise be entitled under Rule 7.

The Fund does not offset capital sums received from other providers.

MONTHLY BENEFITS

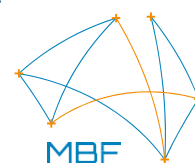
Both the commencement and continuance of Monthly Benefits payable shall at all times be conditional upon satisfactory evidence being provided to show that the Member is taking all reasonable steps to have the disability rectified and the Class 1 Medical Certificate restored.

Members must make a report no later than the first working day of each month, with supporting evidence in accordance with the requirements of the Rules. Austair retains the discretion to determine not to pay benefits where the facts of a claim are incomplete or in doubt for any reason.

Commencement Date of Disability and Benefits

Payment of Monthly Benefits shall commence at the latter of any of the following events:

- the completion of the Monthly Benefit Waiting Period; or
- the Member having exhausted all their personal/sick leave or exhausting any additional personal leave that the Member has by way of arrangements with their employer, whether under an industrial agreement or not and including, but not limited to, access to personal leave from a pilot pool or other employment terms and conditions; and
- the Trustee having completed any investigation into or assessment of the Claimant's claim for Benefits.



For the avoidance of doubt, the Trustee will commence payments for approved Monthly Benefits immediately after the first Trustee board meeting occurring after the latter of the events specified in Rule 7.4.1.1 or 7.4.1.2 subject to the receipt of relevant payment documentation.

The Trustee is not liable to and will not make any back payments for any periods occurring prior to the Trustee's decision to approve the payment of Monthly Benefits.

Limited Cover – Monthly Payments

In the case where a Class 1 Medical Certificate has been Suspended or Cancelled due to the ASE/C for which a Limited Cover has been applied, and where the Claimant has participated in the Fund for a continuous period of:

Years of Membership	Benefit
Less than five years	A maximum of 12 Monthly Benefit payments. In the event the Monthly Benefit becomes a capital Benefit claim, the Claimant's entitlement shall not exceed 24% of the Standard Capital Benefit on which the Limited Cover applies, whether paid as Monthly Benefits in accordance with Rule 7 or as the Capital Benefit Balance in accordance with Rule 8.
Greater than five years	A maximum of 18 Monthly Benefit payments. In the event the Monthly Benefit becomes a capital Benefit claim, the Claimant's entitlement shall not exceed 36% of the Standard Capital Benefit on which the Limited Cover applies, whether paid as Monthly Benefits in accordance with Rule 7 or, as the Capital Benefit Balance in accordance with Rule 8.

Cessation and Limitation of Monthly Benefits

Monthly Benefits shall cease at the earliest occurrence of any of the following;

- the Claimant has failed to, or refuses to, comply with the requirements of rule 7; or
- the Claimant has died; or
- the Claimant has reached the age of 65; or
- 24 Monthly Benefit payments have been completed; or
- the issuing, reinstatement, revalidation or restoration of a Class 1 Medical Certificate to the Claimant, regardless of whether or not CASA applies any conditions or restrictions on the Class 1 Medical Certificate; or
- CASA, or a CASA Delegate, has advised that the Claimant is able to exercise the privileges of their pilots licence regardless of whether or not CASA applies any conditions or restrictions on the Class 1 Medical Certificate; or
- CASA, or a CASA Delegate, has advised that the Cancellation or Suspension of a Class 1 Medical Certificate has been removed, regardless of whether or not CASA applies any conditions or restrictions on the Class 1 Medical Certificate.

Specified Duration Monthly Benefit

Specified Duration Monthly Benefits apply to certain conditions for which only a limited duration of Monthly Benefit payments will apply. The maximum number of Monthly Benefit payments is twenty-four (24). Specified Duration Monthly Benefits only allow for Monthly Benefit payments for a duration of six (6) months or twelve (12) months.

The list of conditions for which Specified Duration Monthly Benefits will apply can be found as Appendix A to Rule 7.

Conditions	Timeframe
Aerotoxic Syndrome	6 MONTHS
Short and Long Term Complications and Disorders associated with: <ul style="list-style-type: none"> • Alcohol misuse • Substance abuse • Smoking / Vaping 	NIL – Except IAW Rule 7.14

All Mental Health Conditions excepting: <ul style="list-style-type: none"> • Bipolar disorder • Schizophrenia 	6 MONTHS
Chronic Fatigue Syndrome including: <ul style="list-style-type: none"> • Long COVID • Myalgic encephalomyelitis • Post Glandular Fever Syndrome • Post Infectious Fatigue Syndrome • Post Lyme Disease • Post Viral Syndrome 	6 MONTHS
Colour Vision Deficiency	NIL
Gastrointestinal Conditions: <ul style="list-style-type: none"> • Chronic Diarrhoea • Gastro Oesophageal Reflux Disease • Irritable Bowel Disorder • Somatization Disorder 	6 MONTHS
Neurological Disorders: <ul style="list-style-type: none"> • Altered Awareness • Amnesia including Transient Global Amnesia • Aura Disorder with or without Headache • Blackouts • Cataplexy • Cavernous Hemangioma – Asymptomatic • Narcolepsy • Psychological or Conversion Disorder • Seizure Disorder 	6 MONTHS
Pain: <ul style="list-style-type: none"> • Chronic Headache • Fibromyalgia • Migraines (all types) • Post-Surgical Pain (including after Hernia Repair) • Post Traumatic Chronic Headache or Migraine • Somatization Disorder 	6 MONTHS
Poorly Managed Diabetes	12 MONTHS
Poorly Managed Hypertension	12 MONTHS
Obstructive Sleep Apnoea	12 MONTHS
Vestibular and Balance Disorders including: <ul style="list-style-type: none"> • Benign Paroxysmal Position Vertigo (BPPV) • Dizziness • Endolymphatic Hydrops • Labyrinthitis • Meniere's Disease • Post Traumatic Vertigo • Vestibular Neuritis 	6 MONTHS



Dependency Disorders and Monthly Benefits

In accordance with Rule 6 Appendix A, the Capital Benefit Balance will not be paid where a Claimant has Permanently Lost their Class 1 Medical Certificate due to a Dependency Disorder or an associated condition.

Dependency Disorders are considered as Specified Duration Monthly Benefits with a maximum duration of six (6) Monthly Benefit payments where a Claimant is fully compliant with all of the requirements of Rule 7.14.

Monthly Benefit payments are not available to a Claimant until after the Trustee has approved their Monthly Benefit claim at their regular monthly Board meeting. Such payments may only commence and continue under the following conditions:

- evidence of entry into an approved monitoring program acceptable to CASA,
- continued compliance with the requirements of the monitoring program,
- provision of satisfactory evidence of compliance to the Trustee upon request,
- all of the normal obligations of the Claimant under Rule 7.10.

Failure to meet any of the requirements of 7.14.3. and its subordinate clauses will result in the immediate cessation of Monthly Benefit payments.

CAPITAL BENEFIT BALANCE

A Claimant whose current membership or increased benefit amount is less than 12 months shall only be entitled to a maximum of 50% of the Capital Benefit Balance.

Assessment for Permanent Loss of Class 1 Medical Certificate

The Trustee must only consider a Claimant's Class 1 Medical Certificate as Permanently Lost and the Claimant eligible for payment of the Capital Benefit Balance, under the following circumstances:

- The Trustee has considered, at least two medical assessments from separate and independent specialists in the related discipline relevant to the ASE/C giving rise to the claim; and
- The Trustee may consult with the Fund Medical Advisor in the relevant medical discipline.

The Trustee may defer making a decision as to whether a Member's Class 1 Medical Certificate is Permanently Lost where:

- the Claimant's ASE/C has not yet stabilised; or
- a further period of time is necessary to establish whether treatment may result in an improvement of the Claimant's ASE/C to an extent where the Class 1 Medical Standards can again be met for that Claimant.

OTHER BENEFITS

Trauma/Critical Illness Benefit

New access to financial support for Members suffering any one of the defined trauma events as defined below and in Appendix 8A of the Fund Rules. Members can access up to the greater of \$100,000 or 10% of their Capital Benefit Balance in the event of a severe injury or illness supported by the advice of the Fund Medical Advisors and Trustee discretion.

Conditions eligible for consideration of the Trauma/Critical Illness Benefit:

- Cerebrovascular Accident (CVA)
- Myocardial Infarction
- Amputation
- Aggressive and/or terminal cancer
- Permanent severe central nervous system and/or Spinal Pathology from illness or injury





Single Pilot/Multicrew Limitation Benefit

Members who have their Class 1 Medical newly endorsed with an 'as or with co-pilot' limitation and cannot continue with their current employment, will be able to access up to 6 monthly benefit payments to assist with recovery and / or retraining. This can be extended by up to an additional 6 months at the discretion of the Trustee.

IS LOSS OF LICENCE PROTECTION RIGHT FOR YOU?

As a pilot your financial security may rely on your ability to maintain your Class 1 Medical Certificate. The MBF Loss of Licence Product can provide financial support in this event, however you should obtain your own financial advice to determine if the Product is right for you.

LIMITATIONS IN COVER

The MBF provides stepped cover after the age of 50, where the maximum Standard Capital Benefit (SCB) amount reduces in steps until age 65. Joining under the age of 40 allows you to take out a SCB amount of your choice between the minimum (\$100,000) and the maximum (\$600,000) until the age of 50. After the age of 50 the maximum amount reduces in steps until the age of 65. This stepped approach applies to all Members not only those on the maximum level of cover.

CESSATION OF MEMBERSHIP

MBF Fund Rule 10 sets out the voluntary and automatic conditions for cessation of Membership.

NEW APPLICANTS

To obtain the Product, complete the Join Online application form and health questionnaire/declaration on the MBF website (www.aapmbf.com.au). You must provide a copy of your Class 1 Medical Certificate; proof of employment; and proof of citizenship or being a Resident in Australia. Further documentation may be requested for any declared medical conditions.

Commencement of Provisional Cover will be effective when the above information is supplied and the Fund confirms the applicant is eligible under an employer bulk billing agreement with the Fund for the payment of contributions and is verified by the Fund as covering the cost of cover, and/or payment of the applicable Contributions is received by MBF, as per the definition on Page 5.

Austair reserves the right to refuse any application without giving a reason or to impose terms and conditions upon membership. If for any reason Austair refuses or is unable to process your application for the Product, Austair may return any application Contributions to you.

You have a right to 'cool off' in relation to your application for the Product. See 'Cooling Off' on page 17 for more information.

TAXATION IMPLICATIONS

TAXATION

Tax laws change and their effect on and treatment needs to be considered as part of the individual tax circumstances of the Member. It is recommended that all applicants seek their own professional tax advice.

MONTHLY BENEFITS

Monthly Disability Benefits paid from the Fund to Members will be included in the Member's assessable income. The Fund does not pay the Superannuation Guarantee Contribution as it is not a requirement. The Fund will withhold Pay As You Go (PAYG) Withholding Tax from any such payments unless an ATO exemption is provided.

CAPITAL AND DEATH BENEFITS

Where the failure of the Member's Class 1 Medical Standards is deemed to be Permanent, the Fund may pay the Member a Standard Capital Benefit and the Premium Capital Benefit (if applicable). Upon the death of a Member, the Member's Beneficiary may be eligible to receive a Standard Capital Benefit, the Premium Capital Benefit (if applicable) and the Death Benefit. The Standard Capital Benefit, the Premium Capital Benefit and the Death Benefit do not represent income of the Member or Beneficiary and are not subject to Capital Gains Tax as per Taxation Ruling IT2230.





TAX FILE NUMBER ('TFN') DECLARATION FORM

Members who become claimants for monthly Disability Benefits will be asked to complete a Tax File Number Declaration Form so that the Fund can calculate PAYG Withholding Tax.

It is not compulsory for a claimant to quote their TFN. For a Claimant who is approved Monthly Benefits and has not quoted a TFN, the Fund will be required to deduct PAYG Withholding Tax at the top marginal tax rate plus the Medicare Levy.

RISKS

As a holder of an Australian Financial Services Licence (**AFSL**), Austair is obliged to comment on risks associated with the Product.

All financial decisions involve risk. Austair does not consider that there is any significant risk to Members arising from the financial position of the Fund. However, for the benefit of Members, following are six risk areas that Austair is obliged to communicate.

1. **Fund Risk:** This is the risk that the Contributions could significantly alter, or the Fund could cease to operate. Austair considers that this is most unlikely as the MBF has a strong financial position with considerable net assets.
2. **Liquidity Risk:** This is a risk that the Fund may not have enough liquid assets to pay Benefits. Austair considers this risk unlikely because it models annual cash flow and budgets to forecast liquidity requirements and monitors and updates these during the year.
3. **Laws:** This is the risk that corporations, insurance or taxation laws may change, and this may impact upon the operation of the Fund. Regulatory changes are not predictable, however the MBF has a history of complying with relevant laws and providing support to commercial pilots since 1961.
4. **Claims:** This is the risk that a claim may be refused at the Trustee's discretion per Rule 1 of Permanent Loss.
5. **Reasonable Steps:** This is the risk that the Trustee may withhold benefit payments if, in the Trustee's reasonable opinion, the Member has not taken all reasonable steps to regain their Class 1 as per Rule 8.5.
6. **Suspension of Benefits:** This is the risk that the Trustee may, at its discretion, suspend consideration of a Member's eligibility for a Benefit if the Trustee is not satisfied the Member is complying with their obligations under Rule 7 and Rule 8.

IT'S YOUR FUND

NATURE OF A MUTUAL BENEFIT FUND

The Fund to which Members contribute is a mutual benefit fund. Mutual benefit funds are operated on a not-for-profit basis, solely for the benefit of Members. Any profits are retained in the Fund and are used to satisfy Members' claims for Benefits or otherwise applied in accordance with the Rules.

ELECTION OF DIRECTORS

The Directors of Austair are elected by Members of the Fund in accordance with the Rules. In this way, all Members have the right to influence the direction of the Fund by voting for the individuals who control Austair, the Trustee of the Fund.

Directors are elected on a three-year rotation basis and take office at the conclusion of the Annual General Meeting (AGM) of the Fund, which must be held at least once every 15 months. The Rules specify the process of election.

GOVERNANCE OF AUSTAIR

The current Directors and Officers of Austair are displayed on the MBF website (www.aapmbf.com.au).





YOUR RELATIONSHIP WITH THE FUND

MBF RULES

The Member's relationship with the Fund is governed by the Rules. The Rules set out Members' and Austair's rights and obligations in relation to the Product.

Some of the provisions of the Rules are discussed elsewhere in this PDS. Other provisions of the Rules relate to:

- eligibility to become a Member;
- application to become a Member or to apply for increased benefits;
- making Contributions;
- the circumstances in which a Member qualifies for benefits;
- medical certification requirements;
- amendment of the Rules;
- a Member's right to attend and vote at AGMs or special general meetings; and
- how Members may leave the MBF.

There are also provisions concerning Austair's powers and duties, including:

- accounting and auditing requirements;
- minimum Contributions amounts and maximum benefit amounts;
- Austair's right to an indemnity out of the Fund's assets (in certain circumstances); and
- Austair's broad powers to invest, borrow and generally manage the Fund.

Copies of the Rules are available on the MBF's website (www.aapmbf.com.au).

COOLING OFF

As a Retail Client under our AFSL licence you may have a right to 'cool off' in relation to acquisition of the Product within 14 days of the earlier of:

- confirmation of the Product being received or available; or
- the end of the fifth business day after the Product is issued.

A Retail Client is a person or entity defined under section 761G of the Corporations Act 2001 (Cth). A Retail Client may exercise this right by notifying Austair in writing at Level 1, 132-136 Albert Road, South Melbourne, Victoria, 3205, or membership@aapmbf.com.au. A Retail Client may be entitled to a refund of their Contribution.

A Retail Client's right to cool off does not apply in certain limited situations, such as if the Member chooses to exercise his or her rights or powers as a Member during the 14-day period.



DISPUTE RESOLUTION

The Directors, Officers and employees of Austair and the Fund are committed to dealing with queries, disputes and complaints made to the Fund in a fair and reasonable manner, whilst taking into account the obligations to apply the Rules and policies of the Fund impartially and independently. Austair will do all that it can to provide service and support to Members. Should a Member have any queries or concerns, Austair staff are available to listen and assist where they can. Should a Member wish to take the matter further, please refer to the current Fund Dispute Resolution Procedure (**DRP**) available on the MBF website (www.aapmbf.com.au) or request a hard copy from the MBF office:

Telephone: +61 3 9928 4500

Toll free: 1300 380 300

Email: privacyofficer@aapmbf.com.au

The **DRP** is the Fund's internal dispute resolution process and provides the framework for how the Fund will conduct its administration of queries, disputes, the complaints process and how the Fund will deal with its members and their representatives.

The **DRP** requires queries, disputes and complaints to be firstly dealt with internally by Fund employees, officers and/or Directors before Members or other complainants seek recourse to mediation or the external dispute resolution/complaints bodies or engage in legal action. Austair will seek to resolve any complaint and will acknowledge a written complaint within 14 days of receiving the letter.

If you have not resolved your complaint through **DRP**, you may seek assistance from the Australian Financial Complaints Authority (**AFCA**). **AFCA** is an independent body that may assist you if Austair cannot. Please include Austair's **AFCA** membership number with your enquiry, which is 14886. You can contact **AFCA**:

By mail: GPO Box 3
Melbourne, Vic 3001

By phone: 1800 931 678

Website: www.afca.org.au

PRIVACY STATEMENT

When you complete the Application Form for the Product, Austair will be collecting personal information from you and may collect additional information in the future.

Austair needs to collect personal information for the primary purpose of providing you with the Product (including assessing your application, pricing the product and identifying you). There are also a number of related purposes for which your personal information will be collected and these are to process your application for the Product, administer and manage your membership including Notifications and Claims, and comply with Australian taxation laws, the Corporations Act and other laws and regulations.

If you do not provide Austair with your contact details and other requested information, Austair may not be able to process your application or maintain your membership.

Your information will be used in connection with the purposes for which it is collected. You can gain access to the personal information Austair holds about you, subject to some exceptions allowed by law. Austair will give you reasons if it denies you access. If you have any queries in relation to Austair's Privacy Statement or Privacy Policy - found on the MBF website (www.aapmbf.com.au) - or wish to access the personal information that Austair holds about you please contact Austair's Privacy Officer on +61 3 9928 4500.





SCAN ME

