



AUSTRALIAN AIR PILOTS MUTUAL BENEFIT FUND

Rules

Effective 13 May 2020

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INTRODUCTION

FAILURE TO MEET CASA MEDICAL STANDARD 1

Because of the suddenness with which a Pilot Class 1 Medical Certificate can be lost, with its serious consequences to family financial security. Adequate protection against this eventuality has always been considered of the utmost importance, no less today than at any previous time.

Following difficulties experienced with the securing of satisfactory rates of coverage through outside commercial interests, the Australian Federation of Air Pilots (AFAP) Convention of the 1960s had the foresight to establish a fund to provide Benefits for Members of the AFAP who fail to maintain Medical Standard 1 and exercise the privileges of their pilot's licence. Thus, the Australian Air Pilots Mutual Benefit Fund (the Fund) came into existence controlled by nine Trustees who were Members of the AFAP.

Fund Membership is confined to full Members of the AFAP who earn their livelihoods in the capacity of Air Pilots.

Membership coverage may be retained up to age sixty-five if so desired.

Relevant points for consideration are:

1. The Trustee is of the view that Members should at all times contribute for the maximum Standard Capital Benefit available to them, making them eligible to apply for the Premium Capital Benefit.
2. The Fund must balance benefit against risk. Therefore to optimise Benefits it is essential that Members join the Fund as early as possible during their career. To this end maximum Standard Capital Benefits and minimum contribution rates apply to those who join early and seek maximum cover.
3. From time to time the Trustee may increase the maximum Standard Capital Benefit and the value of the Premium Capital Benefit available for contribution by Members, depending on Fund viability, demand and the effects of inflation. The scale of contributions and Benefits are reviewed annually.
4. A Member contributing for the maximum Standard Capital Benefit available in a particular age bracket may continue to contribute for the maximum Standard Capital Benefit available in any age bracket thereafter. However, a Member not contributing for the maximum available Standard Capital Benefit in a particular age bracket may continue to contribute for only a proportional amount in any age bracket thereafter.
5. Application to contribute for an increased Standard Capital Benefit may be made at any time up to age forty. From ages forty to forty-nine inclusive, such application will be accepted on a once only basis up to the maximum Standard Capital Benefit available for the Member's age bracket, subject to the Member's age at time of joining.
6. A Member may apply for the Premium Capital Benefit at renewal, before the age of fifty, provided the Member contributes for the maximum Standard Capital Benefit available for the Member's age bracket, subject to the Member's age at time of joining.

7. Invitation to contribute for proportionally high Capital Benefits may be extended by the Trustee irrespective of age up to forty-nine, if annual loss of licence allowance is increased under award conditions.
8. Contributions are due and payable on 1st May each year for the ensuing twelve month period.
9. Application for membership of the Fund should be made to:

**THE TRUSTEE
AUSTRALIAN AIR PILOTS MUTUAL BENEFIT FUND
Level 1
132-136 Albert Road
SOUTH MELBOURNE VIC 3205**

RULE 1 - GENERAL

Name:

The Name of the Fund shall be the Australian Air Pilots Mutual Benefit Fund, also referred to in these Rules as “the Fund”.

Objects:

The object of the Fund is to provide financial assistance to any of its Members whose earning capacity as a Pilot has ceased due to Suspension or Cancellation of their Class 1 Medical Certificate. Overseas equivalent Medical Certificates may be accepted by the Trustee; however, the Suspension or Cancellation of such Certificates shall need to be tested against Australian Medical Standard 1.

Permanently or Permanently Lost (as defined in these Rules), are not terms or positions used by CASA when assessing medical certification. Instead, the Fund must arrive at an assessment of Permanently Lost using the Fund Rules and the guidance of relevant medical professionals of the Fund’s choosing and the medical certification requirement of the Regulations.

Non-Profit Fund:

The fund shall comprise contributions made by its Members for the mutual benefit of all Members and their dependants and shall be Non-Profit making. Its membership shall be voluntary and open to pilots who are desirous of becoming Members, in accordance with these Rules.

All assets and accumulated funds of the Fund shall belong to the Members and shall be held and dealt with as provided in these Rules.

Application of the Rules:

The Trustee shall, in examining a Member’s claim for Benefits, apply the Rules in effect at the time of the relevant Date of Disability.

DEFINITIONS

AFAP:

Means Australian Federation of Air Pilots

Benefits:

Means a payment to a Member made in accordance with Rules 7, 8 and 9 but does not include a refund of contributions pursuant to Rule 5(b)(iii).

Calculated Annual Salary:

Means the Calculated Annual Salary for determining Disability Payments amounts in accordance with Rule 7 (k) and (l).

Cancellation:

Means the action of CASA (or a CASA Delegate) indicating to the pilot that they must not exercise the privileges of their pilot’s licence as they fail to meet the CASR Medical Standard 1 and such Cancellation will remain in place until the pilot is again able to meet the CASR Medical Standard 1 and CASA (or a CASA Delegate) removes the Cancellation of the Class 1 Medical Certificate.

Capital Benefit Balance:

Means the amount calculated from the Standard Capital Benefit for which the Member has contributed for the Fund Year during which the disability commenced, less the total of the Disability Benefits already paid (for any current or previous claim for Disability Benefits for any medical condition or injury by the Member, at any time during the period of membership), 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.

CASA:

Means the Civil Aviation Safety Authority of Australia or such other body appointed by legislation to regulate civil aviation in Australia.

CASR:

Means the Civil Aviation Safety Regulations 1998 (Clth)

Class 1 Medical Certificate:

Means the certificate issued in accordance with the Civil Aviation Safety Regulations 1998 (Clth) in respect of a pilot meeting Medical Standard 1.

COVID-19 Circumstances:

Means circumstances consequential to the COVID-19 pandemic that adversely impacts the ability of the Trustee to administer and implement the spirit and intent of the Objects of the Fund.

Date of Commencement of Disability Benefits:

Means the date upon which the Member is entitled to commence receiving Disability Benefits as defined in Rule 7.

Date of Disability:

Is the date of onset or occurrence of a condition giving rise to the inability to exercise the privileges of a Class 1 Medical Certificate and that is:

- (i) Stated by the Member;
- (ii) Supported by medical practitioners and or specialists; and
- (iii) 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 \$200,000 and will be paid in addition to the Standard Capital Benefit and the Premium Capital Benefit, if applicable.

Denial of Liability (Denial):

Means a total denial of any cover for the medical condition(s) imposed at the time of first joining or applying for an increase in cover. No Benefits whatsoever apply to a Denial of Liability.

Disability Benefit:

Means the monthly amount to which a Member may become entitled in accordance with these Rules subsequent to the invalidation, Suspension or Cancellation of their Class 1 Medical Certificate.

Exclusion of Liability (Exclusion):

Also referred to as a Medical Exclusion.

Means a reduced benefit amount for an identified condition and calculated as a percentage of Benefits in accordance with Rule 7.

Fund:

Means the fund established by the AFAP and its Members known as the Australian Air Pilots Mutual Benefit Fund.

Fund Medical Adviser(s):

Means the medical practitioners that the Trustee consults and includes but is not limited to General Practitioners with Designated Aviation Medical Examiner DAME qualifications and/or specialists in the medical discipline relevant to a particular claim.

Fund Year:

Means the twelve-month period from 1st May to 30 April next succeeding.

Gross Annual Salary:

Means the amount of piloting income per annum that will be used for the purposes of applying these Rules and will be calculated as follows;

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. 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 per annum shall be determined based on income from piloting activities as disclosed in the most recent income tax return or such other evidence as required by the Trustee. Gross Annual Salary does not include travel, overtime, location, allowances of an intermittent or occasional nature, or income derived from other sources.

Piloting Income:

Means Gross Annual Salary.

Medical Standard 1:

Means the Medical Standard set in accordance with the Civil Aviation Safety Regulations 1998 (Clth) in respect of a pilot holding a Class 1 Medical Certificate.

Member:

Means a Contributor.

Notification of Disability:

Means communication to the Fund in a manner or form prescribed by the Trustee advising that the Member's Class 1 Medical Certificate has been cancelled or suspended.

Notification to Members:

Means written communication whether ordinary post, email, electronic messaging, via members secure access to the Fund website, or other electronic means of communicating in writing to and from Members.

Permanent(ly) Loss (Lost):

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;

1. The refusal by CASA to grant a Class 1 Medical Certificate under Part 67 of the Civil Aviation Safety Regulations 1998 (Clth) and as amended.
2. The Trustee must have made consideration of all medical and other such evidence as required by and as described in these Rules including 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.
3. 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

Pre-Existing Medical Condition:

Means a condition that was in existence at the time of joining, 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:

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

Premium Capital Benefit:

Means the additional benefit for which a Member may apply and contribute and is only available as a whole amount. Only Members who contribute for the maximum Standard Capital Benefit available under the Rules are eligible to contribute for the Premium Capital Benefit. The Premium Capital Benefit is not considered in calculating the rate of Disability Benefits in accordance with Rule 7 or refund of contribution. It is payable on Permanent Loss of the Australian Class 1 Medical Certificate only.

Provisional Cover:

Means cover which is granted at the time of processing an application for Membership which means the conditions of the Rules and is subject to a Denial of Liability for any declared medical conditions. Provisional Cover means the pilot will not be entitled to membership rights, other than coverage for Benefits, until the Board has accepted their membership in accordance with Rule 4

Regulations:

Means the Regulations under Part 67 of the CASR relating to the issuing and control of Class 1 Medical Certificates and the Medical Standard 1.

Resident in Australia:

A person who is classified as a resident under Australian taxation legislation, and/or complies with Australian immigration laws to be eligible for employment as a pilot in Australia.

Standard Capital Benefit:

Means the nominated capital amount from the standard scale for which a contributing Member has contributed for a particular Fund Year. This benefit forms the basis for the calculation of entitlements for temporary and/or Permanent Loss of the Australian Class 1 Medical Certificate.

Suspension:

Means the action of CASA (or a CASA Delegate) indicating to the pilot that they must not exercise the privileges of their pilot's licence as they fail to meet the CASR Medical Standard 1 and such Suspension will remain in place until the pilot is again able to meet the CASR Medical Standard 1 and CASA (or a CASA Delegate) removes the Suspension of the Class 1 Medical Certificate.

Total Net Income of the Fund:

Shall be defined as the sum of the Members' contributions and all other income of a revenue nature, less all expenses, excluding capital expenditure and Benefits paid under Rules 7, 8 & 9 in relation to claims notified to the Trustee.

Trustee:

Means the entity appointed as Trustee under Rule 14 (a) and any subsequent entity appointed in accordance with the conditions for change of Trustee under Rule 16.

Unemployed Member:

Means a Member who ceases to be employed as a pilot or ceases to derive his/her principal income from piloting activities who is ready willing and able to accept employment in the profession of pilot and is actively seeking such employment.

Waiting Period:

Means:

1. ninety days after the Date of Disability which disability resulted in the Suspension and/or Cancellation of the Member's Class 1 Medical Certificate; or
2. the Date of Disability, where the Member has suffered a recurrence of, or complications directly caused by, the condition that gave rise to a Suspension and/or Cancellation of the Member's Class 1 Medical Certificate within the 12 months prior to the Date of Disability, except where the Member fails to notify the Trustee within 14 days of the recurrence.
3. the date of the notification of the recurrence where notification is more than 14 days after the recurrence

RULE 1A – COVID-19

COVID-19 Circumstances

- (a) For the period of the COVID-19 Circumstances, the Trustee may take such actions and make such decisions, in accordance with the Objects of the Fund and the best interests of Members to ensure that the Members are no worse off over-all, than if this Rule was not present.

Where the COVID-19 Circumstances adversely affects the Members, and where the current Rules prevent the Trustees from achieving or supporting the Objects of the Fund, the Trustee may take actions and make decisions to alleviate or mitigate the adverse effects and/or hardship to Members triggered or caused by the COVID-19 Circumstances, provided that;

- (i) the measures are deemed to be in the best interest of the Members as a whole;
 - (ii) Members are not disadvantaged compared with the Rules in place immediately before these Rules came into effect; and
 - (iii) the Trustee must report to Members on the cost and effect of the COVID-19 measures taken in the next annual report to Members after the COVID-19 Circumstances end.
- (b) Without limiting the decisions or actions the Trustee may take under Rule 1A(a), to alleviate or mitigate the adverse effects and/or hardship to Members triggered or caused by the COVID-19 Circumstances, the Trustee may specifically make decisions in respect of;
- (i) applications for membership,
 - (ii) collection of contributions from Members and
 - (iii) eligibility for and application of Disability Benefits, but not Capital Benefits
- (c) Any decisions or actions taken by the Trustee under Rule 1A which are in conflict with any other Rule will take precedence over the other Rule for the period specified by the Trustee.
- (d) **COVID-19 Circumstances Period of Operation**
The COVID-19 Circumstances Rule will end on 30 April 2021 unless the Trustee determines an earlier date where the effects of the COVID-19 pandemic are considered to no longer be impacting on the administration of the Fund and application of the Rules without unintended adverse consequences on Members.
- (e) **COVID-19 Circumstances Application of the Rule**
Any application of the COVID 19 Circumstances Rule and decisions made by the Trustee in accordance with this Rule may be back dated to ensure the adverse effects on Members are alleviated from the date when the COVID-19 pandemic caused the conflict with the existing Rules. Any decisions made by the Trustee in accordance with this Rule will have continuing effect except where the Trustee states a specific end date for the effect of the decision. This Rule cannot be used after the end of the Period of Operation specified in Rule 1A(d)

RULE 2 – ELIGIBILITY

- (a) Membership of, and the right to receive Benefits paid out of the assets of, the Fund is subject to the following requirements:
 - (i) applicants and Members must be Members of the AFAP
 - (ii) an applicant must:
 - (a) hold a commercial pilot's licence or higher;
 - (b) hold an Australian Class 1 Medical Certificate; and
 - (c) be aged less than fifty years
 - (iii) applicants and Members must derive their principal source of income from piloting activities
 - (iv) Except for those Members who were residents outside of Australia as at 9 October 2010, all applicants and Members must be either:
 - (a) Australian citizens or
 - (b) Resident in Australia; or
 - (c) meet the conditions of Rule 2(a)(v) below.
 - (v) Members who are not Australian citizens or Resident in Australia may, at the Trustee's sole discretion, continue membership whilst being employed overseas subject to complying with all membership requirements, including the following:
 - (a) being a current Member for a continuous period greater than two years;
 - (b) making an application in writing to the Trustee for continuation of membership overseas for a period of up to three years (which may be extended by further application in writing to the Trustee); and
 - (c) demonstrating an intent and evidence of an eventual return to Australia.
- (b) Members may operate on an overseas medical certificate, however the basis for all benefit claims shall be the failure of the Australian Class 1 Medical Certificate.
- (c) Applicants, whether new or re-joining, shall be limited to the Benefits and contribution rates for their age group as set out in the contribution scale subject to the conditions of Rule 4, except former Members whose membership ceased in accordance with Rule 12(b)(v).
- (d) Reinstatement – Notwithstanding Rule 2(c) above, where a former Member applies to the Fund in circumstances where they:
 - (i) had previously been a Member of the Fund for not less than 5 years continuously; and
 - (ii) had been absent from Fund membership for no more than 6 years preceding the date of their application,

the Trustee may reinstate the Member. The Member will be entitled to reinstatement at the contribution rates and Benefits as set out in the current contribution scale for the joining age of their most recent membership of the Fund. The Trustee may apply this exception to a Member once only.

RULE 2 – ELIGIBILITY

- (e) A pilot cannot become reinstated as a Member if they were previously a Member and:
 - (i) were paid any Benefits to which they were entitled due to a loss of their Class 1 Medical Certificate; or
 - (ii) were paid any refund of contributions in accordance with the Rules.

unless they have repaid all monies received in this manner to the Fund.

- (f) Failure to comply with all eligibility requirements in this Rule 2 will result in automatic cessation of a Member's membership.

RULE 3 – APPLICATION FOR MEMBERSHIP OR REVISED BENEFITS

- (a) Application for membership and participation in the Fund shall be in writing on the application form prescribed by the Trustee.
- (b) Members, whose Standard Capital Benefit is less than the maximum available to their category of membership and age bracket, may apply to the Trustee to increase their Standard Capital Benefit at the commencement of any Fund Year, prior to age forty. Members whose ages range from forty to forty-nine years inclusive may also be considered eligible to contribute for an increased Standard Capital Benefit, at the sole discretion of the Trustee and on such terms and conditions as they might reasonably impose. Except under the exceptional circumstances, such eligibility shall be available once only.
- (c) Any increase in Standard Capital Benefit granted as a result of an application in accordance with Rule 3(b) shall, for the purposes of contribution rate and Benefits, be considered as a new application.
- (d) Notwithstanding Rule 3(b), Members already referred to in this sub-section, being employed by a company which provides reimbursement for any part of the required annual contribution, may be invited to contribute for an increased Standard Capital Benefit, if his/her employer increases the amount of such reimbursement and the Member has not reached the limit of cover for their age at the time of the increase.
- (e) Members, whose Standard Capital Benefit is the maximum Standard Capital Benefit, may apply to the Trustee for the Premium Capital Benefit at the commencement of any Fund Year, prior to age fifty. An application for the Premium Capital Benefit, for the purposes of contribution rates and Benefits, will be considered a new application.
- (f) The minimum Standard Capital Benefit shall be \$100,000.

RULE 4 – ACCEPTANCE OF MEMBERSHIP AND INCREASED BENEFITS

- a) All applicants for Membership or increased Benefits shall be considered by the Trustee at its regular Monthly Meeting or any Special Meeting following the lodgement of such application and such application shall be accepted at the discretion of the Trustee on such terms and conditions as they deem appropriate.
- b) Initial applicants for membership shall be given Provisional Cover for Benefits, with a Denial of Liability on any listed medical conditions. Provisional Cover will be effective from the date of processing at the Fund's offices until such a time that the application for membership is considered by the Trustee in accordance with this Rule.
- c) Increased Benefits shall become effective on the date on which the relevant application is accepted by the Trustee.
- d) Acceptance of an application may be subject to an Exclusion and/or Denial of Liability applied under the provisions of Rule 6.
- e) Commencement of cover will not be effective until the Fund has received and verified all evidence for the applicant or Member as per Rule 2 plus meeting the following conditions:
 - (i) Is an employee of a company that has a bulk billing agreement with the Fund for the payment of contributions and is verified by the Fund as covering the cost of cover.
 - (ii) Payment of the applicable contribution is received by the Fund for the cover or the increase in cover.
 - (iii) Provision of medical data and supporting medical information requested by the Fund is received, assessed and is available for the Trustee to consider imposition of an Exclusion or Denial of Liability.
- f) In the event that medical data requested by the Trustee is not received by the second Board meeting following initial application, the Trustee may:
 - (i) accept the Membership with a Denial of Liability remaining on any declared medical conditions, or;
 - (ii) reject the application for Membership and provide a refund of any contributions paid.
- g) An application for Provisional Cover will be rejected where any of the requirements of Rule 2 are not met or are incomplete. An applicant will have no cover until all the relevant conditions of Rule 2 are met and the conditions of Rule 4 are met for the granting of Provisional Cover

RULE 5 – CONTRIBUTIONS TO THE FUND

- (a) The Trustee shall at periods not in excess of twenty-four months, review the performance of the Fund in providing Member benefits, and adjust the contribution and benefit rate structure accordingly.
- (b)
 - (i) Contributions to the Fund shall be calculated at the rate of not less than \$2.00 per annum for every \$1000 of the Capital Benefit in respect of which the Member desires to participate, or at such other rate as the Trustee may decide from time to time, but in any event at a rate not in excess of \$25.00 per \$1000 to age forty- nine, nor in excess of \$35.00 per \$1000 from age fifty to age fifty-nine inclusive, nor in excess of \$70.00 per \$1000 above age fifty-nine. These rates are inclusive of GST.
 - (ii) Members who contribute to the maximum Standard Capital Benefit available for their age bracket, subject to their age at time of joining, may apply for the additional Premium Capital Benefit, available as a whole amount only, at a value and a rate as determined annually by the Trustee and published in the annual contribution scale, subject to Rule 3(e).

The additional Premium Capital Benefit will not be included in the calculation of the Member's entitlement to monthly payments of the Disability Benefit as set out in Rule 7 (d) or in the calculation of any refund of contribution in accordance with Rule 5 (b)(iii).
 - (iii) The Trustee in its sole and absolute discretion may, upon application from a Former Member, considering the viability of the Fund at the time and in the future, authorise for payment, a refund of contributions as at the date membership ceases, 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:
 - (a) continuously for in excess of twenty years,
or
 - (b) for a total in excess of twenty years aggregate where any break in continuity was not due to:
 - (i) expulsion or termination from the Fund, or
 - (ii) expulsion from the AFAP, or
 - (iii) rejection of an AAPMBF re-join application,
and who, at the time of membership cessation, is no longer employed as a pilot nor derives their principal income from piloting activities; or
 - (c) for a total in excess of twenty-five years aggregate in the case of a reinstated Member in accordance with Rule 2(d).

Disability Benefits paid in respect of temporary Class 1 Medical Suspension or Cancellation shall be offset against such a refund of contribution. Contributions made for the Premium Capital Benefit will not be included in the calculation of the refund.

Refunds will be capped at \$65,000.

Applications for such refunds must be made within three hundred and sixty-five (365) days of the former Member qualifying in the terms of this Rule.

- (c) Members acknowledge that their contributions will be used by the Trustee for the benefit of all Members in accordance with these Rules.

RULE 5 – CONTRIBUTIONS TO THE FUND

- (d) The maximum Capital Benefit for which contribution shall be received from a Member shall be determined by the Trustee and in any case may not be in excess of \$1,000,000.
- (e) An applicant, who makes their application following the commencement of the Fund Year shall be required to make a pro rata contribution at the applicable rate for the remainder of the Fund Year, to the nearest whole calendar month.
- (f)
 - (i) Annual contributions to the Fund shall be due and payable on the first day of May in each year. Members failing to pay their annual contributions by May 31st immediately following the due date shall be deemed to have allowed their membership to have lapsed and shall not be entitled to any benefit arising from any occurrence subsequent to the said first day of May. Members so excluded shall not be entitled to any Benefits arising from any occurrence prior to their re-admittance. The Trustee will make all reasonable efforts to notify in writing any Member whose cover has ceased to have effect in accordance with this Rule.
 - (ii) Where in the opinion of the Trustee, a good and just reason has been given for late payment, annual contributions may be accepted in the same Fund Year up to June 30th without application of the provisions of Rule 5(f)(i).
 - (iii) The Trustee may make arrangements for payment of the annual contribution amount by instalments throughout the Fund Year where such arrangements are determined by the Trustee as necessary to assist the Member maintaining financial membership of the Fund.
 - (iv) The Trustee shall forward a statement of account to all Members of the Fund, advising them of the amount of contribution required for the next succeeding year commencing May 1st, together with a notification which sets out the relevant conditions contained in these Rules.

RULE 6 – EXCLUSIONS

Pre-Existing Medical Condition

- (a) The Trustee may impose an Exclusion or Denial of Liability on all or a part of a Member's Standard Capital Benefit and Premium Capital Benefit (if applicable) for any Pre-Existing Condition, subject to the following:
 - (i) Any Exclusion or Denial of Liability imposed by the Trustee in accordance with this Rule, must normally be imposed within 60 days of the effective date of the application or such a time as required by the Trustee to enable it to obtain all relevant information and consult with the Fund's medical advisers.
 - (ii) Notwithstanding Rule 6(a)(i), where a Member provides information later, having made a genuine error of disclosure, which would normally give rise to an Exclusion or Denial of Liability, the Trustee may impose such an Exclusion or Denial of Liability retrospectively.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) Where an Exclusion 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(s)(i) and 7(s)(ii). The Trustee may not make payments in excess of these amounts where there is a claim directly or arising from an Excluded condition.
- (f) Upon requesting an increase in the Standard Capital Benefit and/or application for the Premium Capital Benefit a Denial of Liability or Exclusion for the Pre-Existing Medical Condition may be applied on the increase in the Standard Capital Benefit and/or the Premium Capital Benefit.

Third Party Claim Liability

- (g) The Fund shall not be liable to make payment of Benefits to a Member where the Member'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 Member either is currently or would be entitled to receive any periodical or other payments (including, but not limited to workers' compensation) under state or federal legislation, unless the disability has been specifically accepted by the Trustee.

Specified Exclusions - General

- (h) 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).
 - (i) Notwithstanding any other provision in the Rules, the Fund shall not be liable and the Trustee shall not authorise to make payments by way of Benefits to a Member where the Member's Class 1 Medical Certificate has been suspended or cancelled either temporarily or permanently, as a direct result of or arising from any of the following:

RULE 6 – EXCLUSIONS

- (ii) 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;
- (iii) Intentional self-injury, suicide or attempted suicide, assault where provoked by the Member, fighting (except in bona fide self-defence);
- (iv) alcohol dependence and / or conditions or injuries arising directly or indirectly from the abuse of alcohol or drugs;
- (v) (iv) incurred as a result self-intoxication, or the effect of drug use;
- (vi) 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 Members Death Benefit, continues without restriction;
- (vii) incurred because of a deliberate exposure by the Member to exceptional danger, as determined by the Trustee (except to save human life)
- (viii) Incurred because of the commission of any criminal act by the Member
- (ix) Elective cosmetic surgery where the surgery is not necessitated by an underlying medical condition or trauma event, whether Pre-Existing or not.
- (x) Member's conduct, where the Members conduct has involved the following:
 - (a) Committing an offence or failure to comply with directions given by CASA under Part 67 of the Civil Aviation Safety Regulations 1988 (Cth) (or amended).
 - (b) A condition, which directly or indirectly, is as a result of employment or performance issues documented by the Member's employer, in carrying out their occupation. This may include dismissal following formal disciplinary procedures which subsequently leads to any condition that precludes the Member holding a valid Class 1 Medical Certificate or overseas equivalent.
 - (c) Injuries or conditions that are reasonably related to or caused by the Member's misconduct, dishonesty or engaging in criminal activities.

Conditions Without Objective Medical Evidence (Other Than Mental Health)

- (j) The Fund shall not be liable and the Trustee is not authorised to make payments of the Capital Benefit Balance for any condition that does not present with symptoms that can be verified by objective medical testing and / or for conditions that rely substantially on 'self-reported' symptoms that cannot be independently medically verified.

Mental Health Claims

- (k) The Trustee is only authorised to pay the Capital Benefit Balance under this clause for the following conditions:
 - (i) Schizophrenia Disorder; or
 - (ii) Bipolar Disorder
- (l) The Trustee is only authorised to make Disability Benefit payments under this clause for the following conditions:
 - (i) Schizophrenia Disorder;
 - (ii) Bipolar Disorder;
 - (iii) Major depressive disorder; or
 - (iv) Depression.
- (m) The Fund will not be liable for and the Trustee is not authorised to provide Benefits in any form for any other mental or behavioural disorder not previously specified.

RULE 6 – EXCLUSIONS

- (n) The Fund will not be liable for and the Trustee is not authorised to provide Benefits in any form for Mental Health claims arising from workplace issues, where the Member has demonstrated standards, performance, or inappropriate behavioural issue, where such is implicated in leading to the loss of a Class 1 Medical Certificate. Such claims for Mental Health reasons are excluded from Benefits.
- (o) The Fund will only recognise and the Trustee will only accept an objective diagnosis of any condition specified under Rule 6(k) and Rule 6(l), that is made by a Doctor of Psychiatry.
- (p) Any Member making notification to the Trustee and or seeking Benefits of any description under Rule 6(k) and Rule 6(l), will submit to independent assessment(s) by a Doctor(s) of Psychiatry (as specified by the Trustee). This requirement is in addition to that established by Rule 6(o).
- (q) The Trustee may not under any circumstances authorise Benefit payments of any description under Rule 6(k) and Rule 6(l), unless the Member has submitted to an assessment or assessments, by the Trustee's specified Doctor(s) of Psychiatry, and the assessment confirms objective diagnosis of the Member's disorder conclusively and to the satisfaction of the Fund Medical Advisor/s and the Trustee.
- (r) A Member in receipt of the Benefits for the conditions specified in Rule 6(k) or Rule 6(l), must provide to the Fund a comprehensive treatment plan provided by the Member's treating physician. The Trustee is not authorised to make any Benefit payments if this condition is not met.

RULE 7 – DISABILITY BENEFITS

Conditions of Payment

- (a) Where a disability due to a medical condition results in the Suspension or Cancellation of a Member's Class 1 Medical Certificate a Member is entitled to Disability Benefits subject to this Rule.
- (b) The Trustee shall only make Disability Benefit payments for a medical condition, which can be supported by an objective medical diagnosis.
- (c) Disability Benefits shall be calculated in accordance with this Rule and be calculated from the Standard Capital Benefit only. The calculation will be based on the amount for which the Member had contributed for the Fund Year in which such disability commenced.
- (d) The Trustee shall not make payment of Disability Benefits where the facts of the claim are incomplete or in doubt for any reason whatsoever.
- (e) The Trustee shall not make payment of Disability Benefits where there are reasonable grounds for the Trustee to believe that the Member is withholding or concealing knowledge of:
 - (i) medical reports (whether in the Member's possession or not); or
 - (ii) material facts or knowledge relevant to the Member's claim.
- (f) The making of one or more Disability Benefit payments is not an acceptance of liability by the Fund if material facts are subsequently discovered.
- (g) If the Trustee is not satisfied that a Member is complying with their obligations under this Rule, the Trustee may at its discretion suspend all future payments to the Member from the Fund, unless and until the Trustee is satisfied that the Member is complying with this Rule.
- (h) The Trustee, in conjunction with the Fund medical advisers, shall review all claims at periods not exceeding six months.

Rates of Disability Benefit Payments

- (i) Disability Benefit payments shall be made at the following rates but shall not be more than one twelfth of a Member's Calculated Annual Salary at the Date of Disability.
- (j) Percentage amounts relate only to the Standard Capital Benefit and will be paid for a maximum of 24 months.

INCOME	% OF STANDARD CAPITAL BENEFIT (PAID MONTHLY)
\$0 - \$99,999	1.5%
\$100,000 – \$149,999	1.75%
\$150,000 – OR GREATER	2%

RULE 7 – DISABILITY BENEFITS

Calculated Annual Salary for Disability Benefits (Including for Unemployed Members)

- (k) Calculated Annual Salary will be determined by the greater amount of current Gross Annual Salary from piloting activities or the average Gross Annual Salary from piloting activities for the last three years of employment.
- (l) The Fund only makes Disability Payments in accordance with the Fund Rules and in the event of the loss of a Member's Class 1 Medical Certificate. During a period of unemployment, the maximum rate of payment under this clause shall be established by the average Gross Annual Salary of the previous three years of employment.
- (m) Evidence of Piloting Income will be required at the time of claim.

Commencement Date of Disability and Benefits

- (n) Payment of Disability Benefits shall commence at the later of any of the following events:
 - (i) the completion of the Waiting Period; or
 - (ii) Member having exhausted all their personal/sick leave; or including 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.
 - (iii) the Trustee having completed any investigation into or assessment of the Member's claim for Benefits

For the avoidance of doubt, the Trustee will commence payments for Disability Benefits immediately after the first Trustee board meeting occurring after the latter of the events specified in Rule 7(n) (i) (ii) or (iii). 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 Disability Benefits.

Medical Assessment

- (o) Any Member making application for Benefits from the Fund must, if required by the Trustee, submit to independent medical assessment(s) at the expense of the Fund and of the Funds choosing, for ascertaining the nature and extent of the notified disability.
- (p) A Member claiming or receiving Disability Benefits in accordance with this Rule must, during such time, when so requested, provide all relevant information to the Trustee and the Fund's medical advisers.
- (q) A Member must, prior to receiving Disability Benefit payments, authorise the Trustee and the Fund's medical advisers to:
 - (i) consult with any relevant physician, surgeon or specialist;
 - (ii) access a Member's medical records relevant to the Member's medical condition whether prior to the Date of Disability or not; and
 - (iii) access Medicare (or equivalent) records for the purposes of accessing medical history records.

Cessation and Limitation of Disability Benefits

- (r) Disability Benefits shall cease at the earliest occurrence of any of the following:
 - (i) the Member has failed to, or refuses to, comply with the requirements of Rule 7; or
 - (ii) the Member has died; or
 - (iii) the Member has reached the age of 65; or
 - (iv) 24 Disability Benefit payments have been completed; or

RULE 7 – DISABILITY BENEFITS

- (v) the issuing of a Class 1 Medical certificate to the Member regardless of whether or not CASA applies any conditions or restrictions on the Class 1 Medical Certificate; or
 - (vi) the reinstatement, revalidation or restoration of a Class 1 Medical Certificate to the Member, regardless of whether or not CASA applies any conditions or restrictions on the Class 1 Medical Certificate; or
 - (vii) CASA, or a CASA Delegate, has advised that the Member 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
 - (viii) 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
- (s) In the case where a Class 1 Medical Certificate has been suspended or cancelled due to the disability for which an Exclusion has been applied, and where the Member has participated in the Fund for a continuous period of:
- (i) Less than five years, 12 monthly payments of the Disability Benefit, with the Member's entitlement not to exceed 24% of the Standard Capital Benefit, whether paid as Disability Benefits in accordance with Rule 8.
 - (ii) More than five years, 18 monthly payments of the Disability Benefit, with the Member's entitlement not to exceed 36% of the Standard Capital Benefit, whether paid as Disability Benefits in accordance with this Rule 7 or, as the Capital Benefit Balance in accordance with Rule 8.

Hardship Assessment

- (t) Where the Member makes application to the Trustee and in the opinion of the Trustee,
- (i) circumstances exist that indicate that the Member or the Member's dependants may be subject to undue financial hardship, the Trustee may in its absolute discretion commence payment of the Disability Benefit disregarding the qualifying periods designated in this Rule.
 - (ii) circumstances exist where the Member is prevented from accessing personal /sick leave; the Trustee may in its absolute discretion commence payment of Disability Benefits disregarding the qualifying periods designated in this Rule 7 (n), provided the Disability Benefits shall cease immediately where the Member subsequently gains access to personal / sick leave as referred to in Rule 7 (n) (ii).

Continuation of Claim

- (u) Where a Member makes a claim for Disability Benefits and less than 24 Disability Payments are made before the Member regains their Class 1 Medical Certificate, if that Member subsequently makes a further claim within 12 months for the same condition which gave rise to the original claim, the Disability Benefit payments will be deemed to be continuous for the purpose of calculating the number of Disability Benefit payments a Member has received.

Completion of the Claim

- (v) A claim on the Fund and the subsequent liability of the Fund shall be deemed complete at close of business on the last day of the 36th month from the Date of Disability.
- (w) Notwithstanding rule 7(v), a Member who can provide evidence that the resolution of the claim is pending, but which will extend beyond the 36th month from Date of Disability, may make application for an extension of six months. Such an extension shall only be granted where it can be firmly established that a claim can be concluded within the period of extension.

RULE 7 – DISABILITY BENEFITS

Obligations of the Member

- (x) A Member in receipt of Disability Benefits in accordance with this Rule shall regularly and when so requested provide the Trustee with:
 - (i) a report signed by a registered and appropriately qualified medical practitioner indicating the Member's condition is such as to prevent him/her from returning to normal flying duties and meeting the standards of exercising a Class 1 Medical Certificate;
 - (ii) a copy of the Member's treatment/management plan; and
 - (iii) prognosis for the Member's condition (as provided by the Member's treating practitioner).

- (y) Each month, a statement from the Member stating clearly:
 - (i) compliance with the treatment plan; and
 - (ii) details of the medications and future appointments with Medical Practitioners or treating specialists.

- (z) Both the commencement and continuance of Disability Benefits payable in accordance with this Rule, shall be conditional upon satisfactory evidence being provided to show that the Member is taking all reasonable steps to have the Class 1 Medical Certificate reinstated or revalidated.

- (aa) Members must make a report of the current medical condition's status and their compliance with treatment, to the Trustee, in a manner acceptable to the Fund, on the first working day of each month, with supporting evidence as appropriate.

Member Declining Benefits

- (bb) Notwithstanding anything else contained in this Rule, a Member may at any time decline to receive Disability Benefits by notifying the Trustee of the Member's wish in writing.

Maximum Total Benefits Payable

- (cc) Unless a Death Benefit is payable in accordance with Rule 9, a Member of the Fund may not receive any combination of Disability Benefits from the Fund which exceeds the Standard Capital Benefit and the Premium Capital Benefit for which the Member has contributed.

RULE 8 - CAPITAL BENEFITS

Eligibility for Capital Benefits

- (a) Where a Member's Class 1 Medical Certificate is Permanently Lost, a Member may be entitled to payment of the Capital Benefit Balance, subject to this Rule.

Completion of the Claim and Cessation of Liability

- (b) A claim on the Fund and the subsequent liability of the Fund shall be deemed complete at close of business on the last day of the 36th month from the Date of Disability.
- (c) Notwithstanding rule 8(b), a Member who can provide evidence that the resolution of the claim is pending but which will extend beyond the 36th month from Date of Disability, may make application for an extension of six months. Such an extension shall only be granted where it can be firmly established that a claim can be concluded within the period of any extension. The maximum period of 36 months for completion of the claim shall be inclusive of any period where payments are suspended in accordance with Rule 7(g).

Assessment for Permanent Loss of Class 1 Medical Certificate

- (d) The Trustee must only consider a Member's Class 1 Medical Certificate as Permanently Lost and the Member eligible for payment of the Capital Benefit Balance, under the following circumstances:
 - (i) The Trustee has been provided by the Member, at least two medical assessments from separate and independent specialists in the related discipline relevant to the medical condition giving rise to the claim; and
 - (ii) The Trustee may consult with the Fund Medical Advisor in the relevant medical discipline
 - (iii) The Trustee may defer making a decision as to whether a Member's Class 1 Medical Certificate is Permanently Lost where:
 - (a) the Member's condition or injury has not yet stabilised; or
 - (b) a further period of time is necessary to establish whether treatment may result in an improvement of the Member's medical condition or injury to an extent where the Class 1 Medical Standards can again be met for that Member.
- (e) The Trustee may make its own determination in lieu of the requirements of Rule 8(d) when the medical condition is one of the following;
 - (i) A recognized mental health disorder as specified in and compliant with Rule 6.
 - (ii) Epilepsy
 - (iii) A debilitating illness or disorder that has progressed to the point that incapacitates the Member to the extent that it meets the conditions of the Class 1 Medical Certificate being Permanently Lost.

Medical Assessment

- (f) Any Member who seeks payment of the Capital Benefit Balance must, when so requested by the Trustee, at a time designated by the Trustee, submit to independent medical examination(s) at the expense of the Fund for assessing the Member's medical condition.
- (g) In the event of the Trustee obtaining medical opinion from a qualified medical specialist, to the effect that the Member's condition has improved to such an extent that the Member is expected to be able to revalidate their Class 1 Medical Certificate, then no further payments shall be made from the Fund unless and until the Member makes application to CASA for re-validation of the Class 1 Medical Certificate.
- (h) In the event that CASA subsequently rejects the Member's application for revalidation, and the Member's medical condition can no longer be supported by objective medical diagnosis then the Trustee shall pay no further Benefits.

RULE 8 - CAPITAL BENEFITS

Capacity to Pay Benefits and the Timing of Capital Benefit Payments

- (i) Notwithstanding anything herein contained, the Trustee shall at the end of each Fund Year, total the financial Benefits for which the Fund has become liable in the year under review. Where such financial Benefits exceed the Total Net Income for the same period then the residue of the Total Net Income after payment of monthly Benefits shall be paid to the Members eligible for Capital Benefits in proportion to the amount of the Standard Capital Benefit and the Premium Capital Benefit for which each such Member had individually made contribution for the period under review.
- (j) At the end of any three years during which Rule 8(i) was applied, the Trustee shall total the Benefits to which the Members of the Fund are entitled and where such Benefits do not exceed the Total Net Income of the Fund during such three year period there shall be paid to any Member so entitled, such amount as may have been deducted from such Member's Capital Benefit during the period under review.

Obligations of the Member

- (k) A Member claiming payment of a Capital Benefit Balance under this Rule must, during such time, have taken all reasonable steps to re-validate their Class 1 Medical Certificate and obtain the required standard of health to do so. If, in the reasonable opinion of the Trustee, the Member is not taking all reasonable steps to return to medical fitness, and re-attain the standard for a Class 1 Medical Certificate, the Trustee is authorised to withhold further Benefit payments.
- (l) A Member eligible for payment of the Capital Benefit Balance under this Rule must, during such time, when so requested, provide any relevant information to the Trustee and the Fund's medical adviser(s) and, where appropriate, authorise:
 - (i) the Trustee and the Fund medical adviser(s) to consult with any relevant medical practitioner; and
 - (ii) the Trustee to access the Member's relevant medical and Medicare records or equivalent.

Obligations of the Trustee

- (m) The Trustee must not make payment of a Capital Benefit Balance where in the Trustee's view, the facts of the relevant claim or medical condition are incomplete or in doubt for any reason whatsoever.
- (n) Further, if the Trustee is not satisfied that a Member is complying with their obligations under Rules 7 and 8, the Trustee may at its discretion suspend its consideration of the Member's eligibility for Capital Benefit Balance, unless and until it is satisfied that the Member is complying with those Rules.

RULE 9 – DEATH BENEFIT

- (a) The Trustee may make payment of the Member's Capital Benefit Balance and Death Benefit, to the Member's surviving beneficiaries nominated by the Member or to the Member's estate, in the event of the Member's death from any event other than any of the events detailed under Rule 6 (i)(i) to 6(i) (ix)(a)(b)(c) with the sole exception of Rule 6 (i) (v).
- (b) Where Rule 7(s)(i) and (ii) is applicable, a percentage of the Standard Capital Benefit and if applicable, the Premium Capital Benefit may be paid by the Trustee in accordance with the percentages contained therein.
- (c) Where Benefits are payable in respect of death as outlined in sub-section (a) of this Rule and having regard for Rule 8(d) the Trustee shall pay the amount of benefit entitlement, after they have sighted a properly authenticated Certificate of Death. Provided further that the Death Benefit payable shall in no way exceed the amount of the Standard Capital Benefit for which contribution has been received.
- (d) Death Benefit shall be calculated as a base amount so determined by the Trustee, and shall increase at the rate of ten (10) percent of the base rate per year of membership to a maximum of ten years. The Death Benefit payable shall not in value exceed the amount of the Standard Capital Benefit in accordance with Rule 9(c).

RULE 10 – BENEFITS TO MEMBERS ONLY

All Benefits payable by the Fund pursuant to these Rules must be paid to the Members or in the event of the Member's death in accordance with Rule 9.

RULE 11 – NOTIFICATION OF DISABILITY

- (a) A Member shall provide a Notification of Disability to the Trustee within 30 days in writing of any event or medical condition which precludes, or might reasonably be expected to preclude, the Member from flying or of Suspension or Cancellation of a Class 1 Medical Certificate by CASA, stating the reasons for any such Suspension or Cancellation, as the case may be, so far as these are known to the Member. Evidence and advice of treatment being sought for the event or medical condition, is to be provided to the Fund at the time of Notification of Disability.

Any failure to advise the Trustee of the onset of a medical condition (as above) within the 30day period may result in the rejection of a Member's claim, or the imposition of a Waiting Period.

- (b) Where a Member has suffered a recurrence of, or complications directly caused by the condition that gave rise to the Suspension and/or Cancellation within a period of 12 months from the original Date of Disability; the Member will have a maximum of 14 days to provide a Notification of Disability to the Trustee of the recurrence; unless the Member is prevented from notifying the Trustee by reason of the medical condition.

Any failure to advise the Trustee of the recurrence of the medical condition (as above) within the 14 day period may result in the rejection of a Member's claim, or the imposition of a Waiting Period.

- (c) A Member will have a maximum of 30 days to notify the Trustee as outlined in Rule 11(a) unless the Member is initially prevented from notifying the Trustee by reason of the medical condition.
- (d) Any failure to comply with Rule 11 (a) and (b) may result in the rejection of a Member's claim, or the imposition of a further Waiting Period.
- (e) The Trustee shall, if it so desires, be at liberty, at the expense of the Fund, to appeal such Suspension or Cancellation in the name of the Member and to employ their own solicitors to conduct such appeal. The Member shall give all possible assistance and information to the Trustee and their solicitors in and about the preparation for and conduct of any such appeal.
- (f) In the event of any Member making a fraudulent claim, false or incomplete statements in the Member's application for membership, or conceals or omits material facts relating to a claim or application for membership he/she shall not be entitled to any benefit from the Fund. Membership of the Fund will cease with immediate effect, and notwithstanding anything contained within these Rules, the Member shall not have any entitlement to a refund of any contributions made to the Fund.
- (g) Without limiting Rule 11(f), if a Member gives the Trustee incorrect information or does not give the Trustee complete and relevant information about a Pre-Existing Medical Condition, the Trustee may apply the provisions of Rule 11(d) or, retrospectively apply a Denial of Liability for that Pre-Existing Medical Condition, and so will not be liable to pay any Benefits in respect of a Suspension or Cancellation of the Member's Class 1 Medical Certificate resulting from that Pre-Existing Medical Condition.

RULE 12 – CESSATION OF MEMBERSHIP

- (a) Voluntary: A Member may voluntarily withdraw from membership of the Fund by notifying the Trustee in writing of the intention to do so, specifying the date the membership is to cease.
 - (i) Such notification may be given at any time and membership shall cease upon receipt by the Trustee of such notification with respect of the specified date of resignation.
 - (ii) If such notification does not specify a date then the Trustee shall deem the date to be that of the Trustee receiving such notification.
 - (iii) The Trustee may at their discretion repay to the Member from the Fund such portion of the then current contribution as represents the period from the date of cessation to the end of the current year of the Fund.

- (b) AUTOMATIC: Membership of the Fund will cease in the event of any of the following:
 - (i) If the Member is not a financial Member of the AFAP. Such cessation shall not be made effective until 30 days after the last day of financial membership with the AFAP.
 - (ii) If the Member has failed to pay his/her annual contribution within the period fixed by these Rules.
 - (iii) If the Member or Unemployed Member has reached the age of sixty-five years.
 - (iv) If the Member has received payment of the full Capital Benefit due under these Rules.
 - (v) Upon the Member receiving all 24 monthly Disability Benefit payments due under these Rules.
 - (vi) If the Member ceases to be employed as a pilot or ceases to derive his/her principal income from piloting activities three years from that date, provided the Member continues to meet the definition of Unemployed Member throughout the entirety of the three-year period. A pilot so affected by this Rule (and who has been a Member for at least five (5) years prior to the commencement of the three year period of this clause) who should subsequently obtain employment within two (2) years from cessation of membership under this Rule, will upon application to the Trustee be eligible for reinstatement under this Rule, without penalty in terms of age of joining and continuity of service at the discretion of the Trustee.
 - (vii) A pilot so affected by clause (a) and sub-clauses (b)(iii) and (vi) of this Rule shall remain entitled to a refund of contributions in accordance with the refund of contributions Rule.

RULE 13 – DISPUTE RESOLUTION

Expert

Before any court proceedings can be commenced (except seeking injunction relief) all disputes arising out of any claim must be referred to the Australian Financial Complaints Authority (AFCA) for determination.

RULE 14 – TRUSTEE

(a) Trustee

Subject to Rule 16, the Trustee of the Fund is Austair Pilots Pty Ltd CAN 005 111 731 (“Austair”).

(b) Trustee Duties:

The Trustee, through its directors (“Directors” or “Board”) shall control the administration of the Fund and shall, in addition to any other powers or duties herein contained:

- (i) Examine all applications for Membership of the Fund, and where appropriate authorise the acceptance of a Member subject to any Exclusions or Denials as provided for in these Rules.
- (ii) Examine all notifications of a disability made.
- (iii) Examine all claims made on the Fund and authorise all payments that are to be made on claims, either as Disability Benefits or Capital Benefits.
- (iv) Keep records of all applications, claims and correspondence in relation to the Fund and to record and keep minutes of all meetings of the Directors, and all meetings of the Members.
- (v) Ensure that financial Members of the Fund are kept well informed as to the Rules of the Fund and any changes made thereto.
- (vi) Authorise and supervise the investment monies of the Fund in accordance with the provisions of Rule 18.
- (vii) Do all such acts and things as may be necessary for the carrying out of the Objects of the Fund. All documents requiring execution on behalf of the Fund shall be signed by the Chairman and at least one other Director or by such other person as the Directors may from time to time determine.
- (viii) Appoint an Audit Sub-Committee consisting of no less than 3 Directors.
- (ix) Appoint an Investment Sub-Committee consisting of no less than 3 Directors.
- (x) Notwithstanding any other provision in this Rule 14(b), the role of a caretaker Director appointed in accordance with Rule 14(c)(v) shall be limited in accordance with that rule.

(c) Governance Arrangements

- (i) Number and qualification of Directors
The number of Directors shall be nine (9) who shall be Members of the AFAP and Members of the Fund, or in accordance with Rule 14 (c)(ii)(f), former Members of the Fund in good standing, provided that a Director must not be a Federal officer of the AFAP.

RULE 14 - TRUSTEE

(ii) Election of Directors

Directors shall be elected by secret ballot of the Members of the Fund as per the following procedures.

- (a) Nominations for the available Director positions will be called by the Chairman by notification to the Members not less than 60 days prior to the Annual General Meeting.
- (b) Members nominating for a Director position will be required to submit their written application within 21 days of this nomination request.
- (c) The Member nominating for a Director position must have his or her nomination seconded by a current Member of the Fund.
- (d) The Chairman will call for voting on the nominating Directors not less than 30 days prior to the Annual General Meeting by notification to the Members. The voting process will close 21 days after the date of the written request to the Members.
- (e) Members appointed as a Director in accordance with this Rule 14(c)(ii) shall commence their appointment at and from the date of the Annual General Meeting referred to in Fund Rule 14(c)(ii)(d).
- (f) A Director whose membership of the Fund is automatically ceased Under Fund Rule 12(b)(iii) or Fund Rule 12(b)(v) may serve the remainder of that term of office as a Director, and is further eligible to nominate for, be elected and serve a sole additional consecutive term in accordance with Fund Rule 14(c)(iii).
- (g) No more than three Directors employed by the same individual company or associated group of companies can serve as a Director at any one time.
- (h) Before being eligible to be elected as a Director, a Member must have been a Member of the Fund for at least the previous three years.
- (i) In the event that any Director election under this Rule is uncontested, those eligible nominees will be deemed to be elected upon the notified closure of the nomination period and the Members will be notified of the election result. Eligible nominees are still required to meet all Director eligibility requirements.

(iii) Term of office

The Directors elected shall hold office from the conclusion of the Annual General Meeting at which they were appointed until the conclusion of the third subsequent Annual General meeting after their appointment, and may be eligible for re-appointment for additional consecutive terms (being terms commencing at the conclusion of an Annual General Meeting and ending at the conclusion of the third subsequent Annual General Meeting).

RULE 14 - TRUSTEE

(iv) Rotation of Directors

Of the Directors appointed in accordance with Rule 14(c), three shall retire at each Annual General Meeting and the Directors who so retire shall be determined by the length of time elapsed since their appointment or where necessary by lot.

(v) Vacancy

- (a) In the event of the office of any Director becoming vacant due to the death or resignation or removal of a Director, the remaining Directors must, within 30 days of the vacancy occurring, appoint a Member of the Fund to act as a caretaker Director in the place of the Director who dies or resigns or is removed. The caretaker Director shall hold office until such a time as a replacement Director can be elected in accordance with Rules 14(c)(v)(c) and 14(c)(ii).
- (b) A caretaker Director appointed in accordance with Rule 14(c)(v)(a) shall be entitled to vote only on decisions in respect of applications for membership and payments of Member Benefits.
- (c) Immediately following the appointment of a caretaker Director under Rule 14(c)(v)(a), the Chairman must call for a secret ballot of all Members to elect a replacement Director.
- (d) The procedure for election of the replacement Director shall follow the procedure set out in Rule 14(c)(ii) above, except that:
 - (i) Nominations must be called by the Chairman within 14 days of the appointment of the caretaker Director.
 - (iii) The Chairman will call for voting on the nominating Director(s) within 14 days after the deadline for receipt of nominations.
 - (iv) The appointment shall commence on the day after the secret ballot is counted.
- (e) A replacement Director elected in accordance with Rule 14(c)(v)(c) will hold office for the balance of the unexpired term of the vacating Director, at which point he or she shall retire but may be eligible for re-election.

(vi) Removal

A Director may be removed by secret ballot of the Members of the Fund in accordance with the following procedures:

- (a) A secret ballot to remove a Director may be requisitioned by notice in writing to the Chairman signed by at least 5% of the Members of the Fund.
- (b) The Chairman will call for voting on the removal of the Director by notification to the Members within 30 days of receipt of the requisition.
- (c) The voting process will close 21 days after the date of the written request to the Members.
- (d) A Director will be removed from office if the majority of votes received in the secret ballot are in favour of the removal.
- (e) A vacancy resulting from the removal of a Director must be filled in accordance with Rule 14(c)(v).

RULE 14 - TRUSTEE

Notwithstanding any other rule, if the removal of a Director would result in no Directors holding office, the removal will not take effect until a replacement Director has been appointed under Rule 14(c)(v).

(vii) Meeting and Notice of Meetings

- (a) Meetings of the Directors shall normally be held once per month.
- (b) At the request in writing of any four Directors, the Chairman shall convene a special meeting of Directors.
- (c) Notice of meetings shall be given in writing by the Chairman to Directors as far in advance as possible and not less than three business days before the day appointed for the meeting.
- (d) Directors meetings may be held as required using a video and/or teleconferencing facility.

(viii) Quorum

- (a) Four Directors present at any meeting shall constitute a quorum.
- (b) Where it is not possible to establish a quorum for any meeting called in accordance with Rule 14(c)(viii)(a), any three Directors shall constitute a quorum for the sole purpose of authorising the payment of claims under the Fund Rules.

(ix) Chairman

The Directors each year shall, at the Directors meeting next succeeding each Annual General Meeting, elect a Chairman from among their number to serve in that capacity until the Directors' meeting next succeeding the following Annual General Meeting.

RULE 15 – RELEASE AND INDEMNITY

(a) Release:

The Trustee and Directors shall not be responsible for any loss or damage caused by the exercise of any discretion or power conferred by these Rules or by law or by the failure to exercise any such discretion or power or any breach of duty or trust except as a consequence of dishonesty or bad faith.

(b) Indemnity:

The Trustee, the Directors and any other office, employee and person holding office in the Fund or the Trustee (including but not limited to the Fund Management) for the time being or who has in the past held that office, shall be indemnified, out of the assets of the Fund, from all actions, proceedings, suits, claims, demands, liabilities, losses and expenses incurred by them, or any of them in carrying out, or about the discharge of their respective duties, irrespective of whether or not such actions, proceedings, suits, claims, demands, liabilities, losses and expenses are incurred as a result of the negligence.

RULE 16 – RESIGNATION OF THE TRUSTEE

- (a) Austair may only resign as Trustee of the Fund if the Directors are instructed by the Members of the Fund to effect such resignation, in accordance with the following procedures:
 - (i) A secret ballot to instruct the Directors to effect the resignation of Austair as Trustee may be requisitioned by notice in writing to the Chairman signed by at least 5% of the Members of the Fund.
 - (ii) The Chairman will call for voting on the issue by notification to the Members within 30 days of receipt of the requisition.
 - (iii) The voting process will close 21 days after the date of the written request to the Members.
 - (iv) If the majority of votes received in the secret ballot are in favour of instructing the Directors to effect Austair's resignation as Trustee, the Directors must effect the resignation of Austair as Trustee of the Fund within 30 days of closure of the voting process.
- (b) If for any reason Austair ceases to be Trustee without a Rule change which provides for a successor Trustee (for example, by winding up), the Supreme Court of Victoria should appoint a successor Trustee. It is the Member's intention that a successor Trustee or Trustees be a person or persons who are or have as office-bearers persons elected by, or representative of, the Members of the Fund.

RULE 17 – ACCOUNTS AND AUDIT

The Trustee shall cause proper books of account to be kept in relation to the transactions of the Fund. A Balance Sheet shall be prepared as at 30th April each year together with supporting accounts for the preceding twelve months ending on that date. Such accounts shall be subject to annual audit by the Auditors appointed to the Fund.

RULE 18 – INVESTMENT OF FUNDS

The Trustee is empowered to invest monies belonging to the Fund in any of the investments authorised by law for the investment of Trust Funds.

RULE 19 – BORROWING POWERS

The Trustee may borrow upon the security of the assets of the Fund at any time such amounts or amounts as they may in their discretion consider to be reasonably necessary for the payment of amounts due to Members or for the management and operation of the said Fund or for such purpose as the Trustee consider expedient for the carrying out of the Objects of the Fund. Any sum or sums so borrowed may be borrowed with or without security from any bank or other lending institution and from any individual.

RULE 20 – BANK ACCOUNTS AND CHEQUES

- (a) The Trustee shall cause to create accounts appropriate to the operation and investment activities of the Fund.
- (b) Payments out of any account or banking instrument shall only be authorised upon the signature of the Chairman of Trustee or his designate, and one other Trustee or person designated from time to time by the Trustee.
- (c) Notwithstanding Rule 20(b), transfers between accounts of the Fund may be authorised by the Chairman or any other person as may be designated from time to time by the Trustee.

RULE 21 – ANNUAL MEETING

- (a) Annual Meetings of the Members of the Fund shall be held at such a time as the Trustee shall determine provided that the maximum elapsed time between such meetings shall not exceed fifteen months.
- (b) The venue for such meetings shall be at such places as may be determined by the Trustee from time to time.
- (c) Not less than thirty days prior to an Annual General Meeting all Members shall be notified of the venue, time of commencement and matters of business to be discussed including the provision for matters of general business.
- (d) The business of the Annual General Meeting shall be to receive and consider the balance sheets, profit and loss accounts and report of the Auditor, to elect an Auditor of the Fund, and to transact any other business of which notice has been given in writing to all Members.
- (e) The Chairman of the Annual General Meeting shall be the Chairman of the Trustee but in the event of his absence, the directors of the Trustee shall, from their number prior to the commencement of the meeting, elect one of such number to act as Chairman at such meeting.
- (f) The Chairman may with the consent of the Members present, adjourn the Annual Meeting from time to time and place to place. Subject to the approval of the Annual Meeting, such adjourned meeting may deal with any new business left unfinished at the meeting at which the adjournment took place.

RULE 22 – SPECIAL MEETING

- (a) Special Meetings of the Members of the Fund may be called at any time at the discretion of the Chairman of the Trustee or upon requisition made in writing signed by not less than twenty Members of the Fund.
- (b) Any requisition for the Special Meeting shall specify the subject of the required meeting and shall be lodged with the Trustee at the office of the Australian Air Pilots Mutual Benefit Fund.
- (c) Should the Special Meeting not be organised within thirty days of the lodgement of such requisition, the requisitionists may themselves organise a Special Meeting to be held within twenty-eight days after such lodgement.
- (d) Notification of any special Meeting must be given fourteen days in advance by notification to each Member of the Fund at his address shown in the books of the Fund.

RULE 23 – QUORUM

Ten financial Members of the Australian Air Pilots Mutual Benefit Fund shall constitute a quorum for the transaction of business at the Annual General Meeting or any Special Meeting of the Members of the Fund.

RULE 24 – AMENDMENT OF RULES

- (a) The Object and Rules of the Fund shall not be altered, amended, added to or repealed except by resolution of the Members of the Fund by secret ballot.
- (b) Not less than twenty eight (28) days' notice in writing shall be given of any proposed alteration, amendment, addition to or repeal of the Objects of Rules of the Fund, and no such alteration shall be effective unless agreed to by a simple majority of eligible Members who cast a vote in a secret ballot on the issue.
- (c) Whilst Austair is Trustee of the Fund, the constitution of Austair may only be modified or repealed in accordance with the same procedures set out in Rule 24(a) and (b) relating to amendment of the Rules.

RULE 25 - DISSOLUTION

- (a) The Fund may be dissolved by a 75% majority vote of the Members of the Fund who exercise their voting rights, provided that not less than two thirds (2/3) of such Members exercising such rights. Such voting shall be by secret ballot and the minimum elapsed time from the initiation of the ballot to the closure of the ballot being forty-two (42) days.
- (b) Upon the dissolution of the Fund, its assets shall be realised by the Trustee either by public auction, private contract or by such means and on such terms and conditions as the Trustee in their absolute discretion consider advisable. From the realisation of the said assets, all debts and liabilities of the Fund including the costs of realisation and winding up thereof shall be paid, and subject thereto any remaining assets shall be divided amongst the Members of the Fund existing at the date of the dissolution of the Fund in proportion to the amount of contributions paid by them or on their behalf.