Australian
Air Pilots MBF

Australian Air Pilots Mutual Benefit Fund

2027 Proposed Rule Changes

20 November 2026

In accordance with Rule 12.19.2, notice is hereby given of proposed Rule changes for Australian Air Pilots Mutual Benefit Fund (MBF) as per this document dated 20 November 2026. In accordance with Rule 12.19.2, the proposed amendments will be effective only if agreed to by a simple majority of eligible Members who cast a vote for or against the amendments in the secret ballot. Abstentions will not be counted as votes cast. If the ballot result is in favour of the proposed changes, the amended Rules will take effect on 1 January 2027 (the 2027 Amendment Date).

Details of the 2027 Rule amendments are shown in the table below. Please read the table as follows:

- The existing Rule is in the left-hand column or if there is no existing Rule this will be stated.
- The proposed new Rules, deletions or additions are shown in the centre column.
- Where it is a deletion, the existing wording is shown with a "strike through" and marked in red.
- Where it is an addition to existing wording the new wording is underlined and marked in red.
- Where it is a completely new Rule the typeface will be normal and not "marked up".
- Proposed new Rules are to be read by ignoring the words struck through and including the words underlined.

Voting on these proposed rule changes is held by secret ballot conducted online by CorpVote. Members will vote for or against on the entire set of proposed changes in order to make the amendments effective.

Current Rule	Proposed Rule Change/s	Reason & Explanation
No current Rule	**1.1.9. Commencement and transitional application** 1.1.9. The amendments approved by Members in the ballot closing on 18 December 2026 take effect on 1 January 2027 (the 2027 Amendment Date). Unless a Rule expressly provides otherwise, an amended Rule applies to a claim for Benefits only where the Date of Onset is on or after the 2027 Amendment Date, and to an application for a Refund of Contributions only where membership ceases on or after the 2027 Amendment Date. Rules 11.2.5, 12.2.1.13 and 12.3.5.5 apply from the 2027 Amendment Date to all Directors and nominees. The opening page of the Rules will be updated to state the 2027 Amendment Date.	This new rule 1.1.9 is being introduced at the recommendation of the AAPMBF Lawyers to make the process of introducing a new rule (or Rules) clearer with an effective date for implementation.

Current Rule	Proposed Rule Change/s	Reason & Explanation
2.6. Claimant – full Capital Benefit entitlement 2.6.1. A Claimant whose current membership duration is less than 24 months, exclusive of any period of Provisional Membership, shall only be eligible for a portion of the Capital Benefit Balance, being: 2.6.1.1. Membership up to 12 months post the approval of Membership by the Trustee - Maximum 50% of the Capital Benefit Balance; or 2.6.1.2. Membership greater than 12 months but less than 24 months post the approval of Membership by the Trustee – Maximum 75% of the Capital Benefit Balance. 2.6.2. A Member who makes a claim for the Capital Benefit Balance within 24 months of any increase in their NCB shall only be eligible for a portion of the increased component of the Capital Benefit Balance being: 2.6.2.1. claims up to 12 months post increase in the NCB – maximum 50% of the increased component of the Capital Benefit Balance; or 2.6.2.2. claims greater than 12 months and up to 24 months post increase in the NCB – maximum 75% of the increased component of the Capital Benefit Balance 2.6.3. Notwithstanding Rule 2.6.1 and Rule 2.6.2, where a Claimant (excluding Provisional Membership) becomes eligible for Benefits by way of their death, full payment of any eligible Benefits would be made. 2.6.4. Rule 2.6.3 does not apply to claims made for early payment due to a terminal illness under Rule 9.4.	**2.6. Claimant – full Capital Benefit entitlement** 2.6.1. Subject to Rule 2.6.3, a Claimant whose current Membership duration is less than 24 months, exclusive of any period of Provisional Membership, shall only be eligible for a portion of the Capital Benefit Balance, being: 2.6.1.1. Membership up to 12 months post the approval of Membership by the Trustee - Maximum 50% of the Capital Benefit Balance; or 2.6.1.2. Membership greater than 12 months but less than 24 months post the approval of Membership by the Trustee – Maximum 75% of the Capital Benefit Balance. 2.6.2. Subject to Rule 2.6.3, a Member who makes a claim for the Capital Benefit Balance within 24 months of any increase in their NCB shall only be eligible for a portion of the increased component of the Capital Benefit Balance being: 2.6.2.1. claims up to 12 months post increase in the NCB – maximum 50% of the increased component of the Capital Benefit Balance; or 2.6.2.2. claims greater than 12 months and up to 24 months post increase in the NCB – maximum 75% of the increased component of the Capital Benefit Balance 2.6.3. Notwithstanding Rules 2.6.1 and 2.6.2, where a ~~Claimant (excluding Provisional Membership) becomes eligible for Benefits by way of their death, full payment of any eligible Benefits would be made~~ Member (other than a Provisional Member) dies, the limitations in Rules 2.6.1 and 2.6.2 do not apply, and the full Capital Benefit Balance is payable together with any Death Benefit, subject to Rules 2.5, 6.3, 9.1 and 9.2 and to any Limited Cover or Zero Cover. 2.6.4. Rule 2.6.3 does not apply to claims made for early payment due to terminal illness under Rule 9.4	To clarify the application of the Capital Benefit limitations during the first 24 months of Membership and following an increase in the Member's NCB. The amendment removes any ambiguity by expressly confirming that these limitations do not apply to Claims arising from the death of a Member, excluding provisional Members. The amendment provides greater clarity regarding benefit entitlements upon death. Members will remain subject to the applicable 50% and 75% Capital Benefits limitations during the first 24 months of Membership or following an increase in their NCB. However, in the event of death, the full eligible Capital Benefit Balance plus Death Benefit will be payable, provided the Member is not a Provisional Member or has Provisional Cover for an increase.

Current Rule	Proposed Rule Change/s	Reason & Explanation
3.3. Member Contributions – payment by instalments 3.3.1. The Trustee may provide options for payment of the Contribution amount by instalments throughout the Fund Year. 3.3.2. Such arrangements shall normally be utilised where it can be determined by the Trustee as necessary to assist the Member maintaining financial membership of the Fund. 3.3.3. Where a Member becomes a Claimant, payment by instalments is no longer available. 3.3.4. 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. The Trustee is authorised to deduct any outstanding Contributions from the Benefits to be paid to a Claimant.	**3.3. Member Contributions – payment by instalments** 3.3.1. The Trustee may provide options for payment of the Contribution amount by instalments throughout the Fund Year. 3.3.2. Such arrangements shall normally be utilised where it can be determined by the Trustee as necessary to assist the Member maintaining financial membership of the Fund. ~~3.3.3. Where a Member becomes a Claimant, payment by instalments is no longer available.~~ 3.3.3. Any unpaid Contributions amount must be paid in full ~~prior to the commencement of receiving any Benefit~~ prior to the payment of any Benefit, including Monthly Benefits and the Capital Benefit Balance, for each Fund Membership year as a Claimant. The Trustee is authorised to deduct any outstanding Contributions from the Benefits to be paid to a Claimant.	The proposed amendments remove Rule 3.3.3., which prevents Members who become Claimants from continuing to pay their contributions by instalments, and amend Rule 3.3.4. to clarify that any arears of contributions must be paid in full prior to the payment of any Benefit, including Monthly Benefits and the Capital Benefit Balance. These changes provide greater flexibility for Members who become Claimants while ensuring that arears of contributions are settled before any Benefit is paid. Members who become Claimants will no longer automatically lose the option to pay their contributions by instalments. In the event of a claim for the Capital Benefit Balance the full year's contributions must be paid.

Current Rule	Proposed Rule Change/s	Reason & Explanation
3.7. Refund of Contributions 3.7.6. Refunds will be capped at $75,000.	**3.7. Refund of Contributions** 3.7.6. Refunds will be capped at ~~$75,000~~ $80,000.	This proposed Rule change is in accordance with the MBF's actuarial advice. This change increases the maximum amount of Refund of Contributions an eligible Member may receive from $75,000 to $80,000. This means Members could receive up to an additional $5,000 when accessing their Refund of Contributions, subject to the MBF's Rules and eligibility requirements.

Current Rule	Proposed Rule Change/s	Reason & Explanation
5.1. Requirement to trustee for the notification of an Aeromedical Significant Event / Condition 5.1.1. A Member shall provide a Notification in writing or in any other manner prescribed and acceptable to the Trustee within thirty (30) days of the Date of Onset unless the Member is prevented from notifying the Trustee by reason of the ASE/C.	**5.1. Requirement to trustee for the notification of an Aeromedical Significant Event / Condition** 5.1.1. A Member shall provide a Notification in writing or in any other manner prescribed and acceptable to the Trustee within thirty (30) days of the Date of Onset unless the Member is prevented from notifying the Trustee by reason of the ASE/C. 5.1.2. Following a Notification, the Trustee may, by Notice to the Member, require the Member to provide, within a reasonable period specified in the Notice, evidence of any medical treatment or medical investigations relating to the ASE/C, and any authority described in Rule 7.5.3, for the purpose of assessing any current or likely application for Benefits.	To provide greater clarity around the medical evidence requirements following Notification of an ASE/C. The additional clause allows the Trustee to assess the need for supporting the medical documentation on a case-by-case basis, ensuring appropriate information is obtained to assess current or potential Benefit Claims. Members may be required to provide additional medical evidence, including details of treatment or medical investigations, following Notification of an ASE/C. This ensures the Trustee has sufficient information to assess applications fairly and appropriately. The requirement to notify the Trustee of an ASE/C within 30 days remains unchanged.

Current Rule	Proposed Rule Change/s	Reason & Explanation
6.3. Specified Exclusions - general. 6.3.1.5. pregnancy and related conditions for the full duration of that pregnancy, including a period of ninety (90) days form the conclusion of the pregnancy. Conditions that persist beyond ninety (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;	**6.3. Specified Exclusions – general.** 6.3.1.5. pregnancy and related conditions for the full duration of that pregnancy~~, including a period of~~ and for ninety (90) days ~~form~~ after the conclusion of the pregnancy~~.~~ (the Pregnancy Exclusion Period); [Rules 6.3.1.6 to 6.3.1.9 unchanged] 6.3.2. Where an ASE/C related to pregnancy has a Date of Onset during the Pregnancy Exclusion Period and continues after the end of that period, the ASE/C will be assessed for Benefits in accordance with these Rules as if the Date of Onset were the day after the end of the Pregnancy Exclusion Period, except that: 6.3.2.1. where the actual Date of Onset is twenty-eight (28) days or more before the end of the Pregnancy Exclusion Period, the Monthly Benefit Waiting Period is taken to have been completed on the last day of the Pregnancy Exclusion Period; and 6.3.2.2. where the actual Date of Onset is less than twenty-eight (28) days before the end of the Pregnancy Exclusion Period, the Monthly Benefit Waiting Period ends twenty-eight (28) days after the actual Date of Onset, and in each case the commencement of Monthly Benefits remains subject to Rule 7.4, and no Benefits are payable for any period within the Pregnancy Exclusion Period. 6.3.3. Rule 6.3.1.5 does not apply to an ASE/C that is not related to pregnancy, which will be assessed in accordance with these Rules. 6.3.4. Notwithstanding Rule 6.3.1, where a Member dies, whether or not the death is related to pregnancy, Rule 6.3.1.5 does not prevent payment of the Capital Benefit Balance or the Death Benefit, which remain subject to Rules 2.5 and 9.2 and to any Limited Cover or Zero Cover.	To provide greater clarity regarding the assessment and payment of Benefits for pregnancy-related conditions that extend beyond ninety (90) days following the conclusion of pregnancy. The amendments establish clear timeframes for Benefit payments, clarify the application of waiting periods and confirm the treatment of non-pregnancy related conditions and Death Benefits. Members will have greater clarity and certainty regarding their Benefit entitlements for pregnancy related conditions. Benefits will be payable after ninety (90) days following the conclusion of pregnancy, subject to the applicable waiting period and the usual commencement rules, and no Benefits are payable for the exclusion period itself. Non-pregnancy related conditions will be assessed in the usual way. If a Member dies, the Capital Benefit Balance and Death Benefit remain payable whether or not the death is related to pregnancy, subject to the Rules (including any Limited Cover or Zero Cover).

Current Rule	Proposed Rule Change/s	Reason & Explanation
8.9. Trauma / Critical Illness Benefit 8.9.1. Where a Claimant has notified the Fund of an ASE/C set out in Appendix A to Rule 8, the Claimant may be eligible to immediately access the greater of $100,000 or 10% of their NCB. 8.9.1.1. This amount must not exceed the remaining Capital Benefit Balance of the Member and will be deducted from any future Capital Benefit Balance payment and/or Death Benefit.	**8.9. Trauma / Critical Illness Benefit** 8.9.1. Where a Claimant has notified the Fund of an ASE/C set out in Appendix A to Rule 8, the Claimant may be eligible to immediately ~~access~~ apply for the greater of $100,000 or 10% of their NCB. 8.9.1.1. This amount must not exceed the remaining Capital Benefit Balance of the Member and will be deducted from any future Capital Benefit Balance payment and/or Death Benefit. 8.9.1.2. The Trustee will approve an application under Rule 8.9.1 only if it is satisfied, having considered the opinions of at least two (2) Fund Medical Advisers, that the ASE/C is likely to Permanently preclude the Claimant from holding a Class 1 Medical Certificate.	The substitution of the word “access” to the words “apply for” in clause 8.9.1. is to provide a clear application process for a Trauma Benefit. The additional clause 8.9.1.2. is to provide the MBF with sufficient medical evidence and verification of the Trauma or Critical Illness. The proposed changes provide greater clarity around the application process for a Trauma or Critical Illness Benefit. Members will be required to formally apply for the Benefit and provide medical evidence demonstrating their ASE/C is likely to permanently preclude them from holding a Class 1 Medical Certificate. This will ensure a clear and consistent assessment process, supported by verification from two Fund Medical Advisors.

Current Rule	Proposed Rule Change/s	Reason & Explanation
New subclause.	**12.2. Election of Directors** 12.2.1.13. A Member is not eligible to be nominated for election, elected or appointed as a Director if, at the date of nomination or appointment or at any time before taking office, the Member has a Notification or a claim for Benefits that has not been finally determined by the Trustee, or is receiving Monthly Benefits.	The additional Rule 12.2.1.13 seeks to strengthen governance and maintain the independence of the Board by preventing Members who have a Notification or a claim for Benefits that has not been finally determined, or who are receiving Monthly Benefits, from being nominated, elected or appointed as a Director. This amendment aims to minimise potential conflicts of interest and ensure Directors can act impartially and in the best interests of the Fund and its Members. Members who have a Notification or a claim for Benefits that has not been finally determined, or who are receiving Monthly Benefits, will not be eligible to stand for election or be appointed as a Director. This change is intended to protect the integrity and independence of the Board's decision-making processes and promote fair and impartial representation of all Members.

Current Rule	Proposed Rule Change/s	Reason & Explanation
12.3. Term of Office 12.3.5. The position of an elected Director will become vacant in the event of any of the following: 12.3.5.1. Death, 12.3.5.2. Resignation, 12.3.5.3. Removal in accordance with these rules, 12.3.5.4. Disqualification as a Director under the *Corporations Act* 2001 (Cth), 12.3.5.5. Ineligibility for any other reason.	**12.3. Term of Office** 12.3.5. The position of an elected Director will become vacant in the event of any of the following: 12.3.5.1. Death, 12.3.5.2. Resignation, 12.3.5.3. Removal in accordance with these Rules, 12.3.5.4. Disqualification as a Director under the *Corporations Act* 2001 (Cth), 12.3.5.5. the Director making an application for payment of the Capital Benefit Balance, including an application under Rule 8.9. 12.3.5.6. Ineligibility for any other reason.	To ensure appropriate governance and avoid potential conflicts of interest by requiring an elected Director to vacate their position upon applying for payment of the Capital Benefit Balance. This change ensures that Directors applying for payment of the Capital Benefit Balance are no longer involved in Board decision making, maintaining transparency, impartiality and fairness in the assessment of Member Claims.