

# RULES OF THE EMIRATES PILOTS LOSS OF INCOME PROTECTION SCHEME

## TABLE OF CONTENTS

SECTION	Page
1. PURPOSE OF THE SCHEME	2
2. ELIGIBILITY AND MEMBERSHIP	3
3. CONTRIBUTIONS TO THE SCHEME	4
4. MEMBERSHIP REINSTATEMENT	5
5. BENEFIT CLAIMS	6
6. DISABILITY BENEFITS	8
7. LEAVING SERVICE BENEFITS	9
8. DEATH BENEFITS	10
9. TERMINATION OF MEMBERSHIP	11
10. EXCLUSIONS	12
11. TERMINATION AND VARIATION OF BENEFITS	14
12. THE COMMITTEE	15
13. INVESTMENTS AND ACCOUNTS	16
14. INDEMNITY	17
15. DEFINITIONS	18

## 1. PURPOSE OF THE SCHEME

1.1 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.

1.2 The Emirates Pilots Loss of Income Protection Scheme (the "Scheme") is established to benefit its Members by providing insofar as the Funds held under the Scheme allow, for the payment of disability benefits to commence upon the termination of sick leave benefits payable by Emirates Airline to its employees.

## 2. ELIGIBILITY AND MEMBERSHIP

2.1 Any pilot in the full-time employ of Emirates Airlines shall be entitled to become a member of LIPS, subject to that pilot holding a valid license and medical issued by the UAE GCAA.

2.2 Application for membership of and participation in the Scheme shall be in writing on the application form prescribed by the Committee.

2.3 Every Member shall acknowledge, on joining the Scheme, that their contributions to the Scheme shall be held in Managed Funds constituted of all the contributions made by all the Members together with any investment returns made thereon less all expenses incurred. Every Member shall further acknowledge that, in the event of any Member becoming disabled entitling them to a disability benefit under the Rules of the Scheme, such benefits may exceed the contributions made by such Member.

### **3. CONTRIBUTIONS TO THE SCHEME**

3.1 Each Member shall contribute to the Scheme such amount or amounts as may from time to time be determined by the Committee.

3.2 Every Member shall make the necessary arrangements with LIPS to pay their monthly contribution to the Scheme, such payment to be made to or at the direction of the Committee before the 6<sup>th</sup> day of each month.

3.3 The contributions under Rule 3.1 shall be payable by the Members by way of payments to the Scheme at monthly, six monthly or annual intervals.

#### 4. MEMBERSHIP REINSTATEMENT

4.1 Any person who has terminated their Membership other than on leaving Service may apply to the Committee to be reinstated as a Member.

4.2 The Committee may but shall not be obliged to reinstate such a person as a Member.

4.3 The Committee shall not be required to give any reasons should it refuse to reinstate such a person.

4.4 It shall be a condition of any reinstatement of any person as a Member that such person pay a reinstatement contribution to the Scheme in an amount equal to the sum of the contributions such person would have been required to contribute to the Scheme had they not terminated their Membership.

## 5. BENEFIT CLAIMS

5.1 Any Member claiming a benefit under the Scheme shall submit a written notification to the Committee which shall be accompanied by documentary proof of:

5.1.1 any benefits they are receiving or have received under the Emirates Airlines Sick Leave Scheme;

5.1.2 in the event of disability, medical or other evidence of permanent disability;

5.1.3 in the event of leaving Service, the fact that they have left Service;

5.1.4 where any death benefit is claimed by any person, satisfactory proof of death shall be submitted to the Committee.

5.2 The Committee may request any Member claiming a benefit under the Scheme, to submit such further information or documentation as they may in their discretion, regard to be reasonably necessary to determine whether or not any benefit should be paid.

5.3 The Committee may require the Member to submit themselves, at their own cost, to a medical check-up or psychological assessment by a specialist of the Committee's choice, the report of such specialist to be supplied to the Committee.

5.4 The Committee shall be under no obligation to issue any Notice of Entitlement unless a claimant for a benefit has submitted all the evidence and documentation required by the Committee to its satisfaction to enable it to determine that a benefit is payable under the Scheme, and has made no dishonest or fraudulent claims.

5.5 No payments shall be made by Acuma to any Member or Member's Nominated Beneficiary or dependent of a Member unless the Committee has issued a Notice of Entitlement. Acuma shall be entitled to rely on the Notice of Entitlement and shall not be required to make any further enquiries regarding a Notice of Entitlement duly issued by the Committee.

5.6 Members shall remain liable to pay their monthly contributions for the period commencing leaving Service until commencement of benefits under the Scheme.

## RULES OF THE EMIRATES PILOTS LOSS OF INCOME PROTECTION SCHEME

5.7 There will be no restriction on the application of the contributions made by or on behalf of one Member, for the benefit of other Members;

5.8 Notwithstanding anything to the contrary stated in these Rules or in any other document or communication, benefits payable under the Scheme to Members cannot exceed the value of the assets held in the Scheme at any time.

5.9 If the balance of the fund becomes insufficient to pay the claimants as per Rule 6.1.1, then the income of the fund shall be distributed to the claimants to the maximum extent possible on a pro-rata basis as determined by the Committee.

## 6. DISABILITY BENEFITS

6.1 If a Member before the age of 60 years should be held to qualify for benefits under the Emirates Airlines Sick Leave Scheme for reason of suffering from medical or other infirmity and should such Member, in the opinion of the Committee, be permanently disabled resulting in the termination of their employment with Emirates Airlines upon grounds of disability, the Committee shall issue a Notice of Entitlement to Acuma, instructing them to pay to the disabled Member the following benefits:

6.1.1 AED 25,000 per month payable from the first month of termination of sick leave payments due to the Member by the Emirates Airlines, and payable until the Member reaches the age of 60 years. The amount of AED 25,000 per month shall be increased on the first day of the first calendar month following the first anniversary of the first payment of the benefit by 3% and annually thereafter by 3% per annum to a maximum of AED 35,000 per month.

6.2 Should a beneficiary's health status improve to a level where they would be entitled to hold a valid medical and commercial pilot's license (or higher) issued by the UAE GCAA or any other regulating authority then all benefits as laid out in Rule 6.1.1 will cease.

6.3 The Committee may request a Member who is receiving benefits under the Scheme to provide ongoing information and updates regarding their disability and specifically, the Committee may:

6.3.1 require the Member to submit themselves, at their own cost, to a medical check-up or psychological assessment by a specialist of the Committee's choice, the report to be supplied to the Committee;

6.3.2 require the submission by the Member of such information and documentation relevant to the Member's disability as the Committee may require.

## 7. LEAVING SERVICE BENEFITS

7.1 If a Member leaves Service upon reaching the age of 60 years, the Committee may issue a Notice of Entitlement to Acuma instructing Acuma to pay to the Member a leaving service benefit which shall be equal to 30% of their Member's Contribution Account.

7.2 If a Member leaves Service at any stage before reaching 60 years of age, the Committee may issue a Notice of Entitlement to Acuma instructing Acuma to pay to the Member a leaving Service benefit which shall subject to 10.3 below be determined as follows:

7.2.1 during the first 5 years of membership, 15% of their Member's Contribution Account;

7.2.2 during the period after the first 5 years and up to and including 10 years of membership 20% of their Member's Contribution Account;

7.2.3 during the period after the first 10 years of membership and up to and including 15 years of membership 25% of their Member's Contribution Account; and

7.2.4 during the period after the first 15 years to the age of 60 years, 30% of the Member's Contribution Account.

7.3 The Committee may from time to time review the level of leaving service benefits as set out in Rule 7.1 and 7.2 and may, upon receipt of actuarial advice, increase or decrease the level of leaving service benefits, such change to be notified to the Members.

## 8. DEATH BENEFITS

8.1 If a Member dies whilst in Service and before receiving any benefit under this Scheme, the Committee may issue a Notice of Entitlement to Acuma instructing them to pay the deceased Member's Nominated Beneficiary an amount being not less than the total of the deceased Member's contributions amount or failing such Nominated Beneficiary, to one or more persons who in the opinion of the Committee, were dependent upon the deceased Member. Should the Committee be satisfied that the Scheme funding is sufficiently healthy to allow an amount in excess of the Member's Contribution Account to be paid, they may authorise such increased payment as deemed appropriate.

## 9. TERMINATION OF MEMBERSHIP

9.1 A Member shall cease to be a Member if:

9.1.1 they shall die;

9.1.2 they shall leave Service;

9.1.3 they reach the age of 60 years;

9.1.4 they shall give written notice to the Committee of termination of their membership (in which event membership shall cease 3 calendar months after such notice);

9.1.5 their membership be terminated by the Committee due to failure to pay their contributions, in which event they shall remain liable for all arrear contributions up to and including the date of termination of their membership.

9.2 Any Member who terminates their Membership under Rule 9.1.4 above shall, upon expiry of such period of termination, not be entitled to any benefit under the Scheme, unless such Member terminates their membership when leaving Service under Rule 7.1 and 7.2.

## 10. EXCLUSIONS

10.1 No benefits shall be payable to or in respect of a Member if such Member was deemed for purposes of benefit under the Emirates Airlines Sick Leave Scheme not to qualify for sick leave benefits for reason of not suffering from medical or other infirmity qualifying him for such sick leave benefit.

10.2 No benefits shall be payable to or in respect of a Member for the period during which such Member receives benefits under the Emirates Airlines Sick Leave Scheme.

10.3 No benefits shall be payable to or in respect of a Member where their disability or death arises from:

10.3.1 any pre-existing condition being any injury, physical condition, illness, disease or other condition that was evident, diagnosed, treated or regarding which advice for treatment was sought or for which a medical practitioner was consulted during the 36 months prior to becoming a Member of the Scheme;

10.3.2 any self inflicted condition being any injury, physical condition, illness, disease or other condition which was deliberately caused inflicted or contracted by the Member, including any conditions associated with smoking or obesity;

10.3.3 any psychological disorder (unless caused by a physical injury);

10.3.4 any condition associated with pregnancy, miscarriage or the like;

10.3.5 war, whether declared or not, however a Member killed or injured in the course of legitimate non military operations outside of recognised war zones shall not be limited by this clause;

10.3.6 suicide or attempted suicide, assault provoked by the Member, fighting (except in bona fide self-defence), or the Member being rendered less capable than usual of taking care of himself by intoxication, or ingestion of drugs;

## RULES OF THE EMIRATES PILOTS LOSS OF INCOME PROTECTION SCHEME

10.3.7 injury incurred as a result of deliberate exposure by the Member to exceptional danger (except in an attempt to save human life), the commission of any criminal act of the Member, or sustained while the Member is in a state of permanent or temporary insanity.

10.4 No benefits of whatsoever nature shall be payable under the Scheme to any Member or such Member's Nominated Beneficiary or any dependant of such Member:

10.4.1 if such Member's contributions (including any reinstatement contribution) are not paid in full up to the month in which the benefit would otherwise become payable;

10.4.2 unless a Notice of Entitlement has been issued by the Committee confirming the entitlement to the benefit.

## 11. TERMINATION AND VARIATION OF BENEFITS

11.1 The Committee may issue a notice to Acuma revoking the Notice of Entitlement previously issued, and in such event Acuma shall cease further benefit payments to the Member if the Committee is satisfied that:

11.1.1 the condition of a Member who is receiving benefits, has improved to the extent that they are no longer disabled;

11.1.2 a Member who is receiving benefits unreasonably refuses to submit themselves at their own cost to a medical check-up or psychological assessment as under Rule 5.3, or refuses unreasonably to provide information or documentation as required under Rule 5.2.

11.2 The Committee may also on written notice to Acuma vary any of the benefits payable under these Rules provided that no such variation shall in any way alter Rule 10.3.

## 12. THE COMMITTEE

12.1 The Scheme shall be administered by the Committee which shall be appointed by LIPS Limited and, unless determined otherwise by LIPS Limited, shall be made up of the LIPS Limited Directors and the Scheme Administrator. The Committee which shall act for and on behalf of LIPS Limited shall be entitled to reasonable remuneration for its services, such remuneration and any expenses reasonably incurred shall be recoverable from the assets of the Scheme.

12.2 The Committee shall be entitled to employ or engage an administrator to administer the Scheme and to pay the reasonable remuneration of such administration, such remuneration to be recoverable from the assets of the Scheme.

### 13. INVESTMENTS AND ACCOUNTS

13.1 The Directors are empowered to invest funds belonging to the Scheme in any of the investments authorised by law.

13.2 The Directors shall cause to be created accounts appropriate to the operation and investment activities of the Scheme.

13.3 The Directors shall cause proper books of account to be kept in relation to the transactions of the scheme. A set of financial accounts, namely a profit & loss and balance sheet shall be prepared as at 31<sup>st</sup> December 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 scheme.

13.4 All contributions paid by or on behalf of the Members less any remuneration or expenses shall be invested by Acuma who will hold and administer the Scheme and to fund the liabilities of the Scheme to the extent that the Scheme allows. The Committee shall, where there have been deductions made in respect of remuneration or expenses; provide the members with a proper accounting for such deductions.

13.5 Payments out of any account or banking instrument shall only be authorised upon the signature of at least two Directors and or a Director and Administrator.

#### **14. INDEMNITY**

14.1 Neither LIPS Ltd, any Director, any Committee Member, the appointed Scheme Administrator or any person holding office for the time being or who has in the past held office under the Scheme, shall be liable for any damages, losses or expenses arising from their acts or omissions in carrying out their respective duties unless arising from their gross negligence or dishonesty.

14.2 No Member or Nominated Beneficiary shall have any claim against LIPS Limited, the Directors, the Committee or Acuma or their appointees or representatives should the Scheme be depleted or for any other reason not be able to meet the liabilities of the Scheme to the Member or Nominated Beneficiary concerned. This limitation shall apply irrespective of whether or not a Notice of Entitlement has been issued by the Committee.

## 15. DEFINITIONS

**ACUMA:** Means the Dubai based Wealth Management Company that administers the Scheme.

**COMMITTEE:** Means the body which has the exclusive responsibility for exercising all the powers and duties in accordance with the rules of the Scheme.

**CONTRIBUTOR:** Means an Emirates pilot who is participating in the scheme in accordance with its Rules.

**EMIRATES AIRLINE SICK LEAVE SCHEME:** Means the Emirates Airline Sick Leave scheme as detailed in the Emirates Airline employment handbook.

**LIPS:** Means the Emirates Airline Pilots Loss of Income Protection Scheme.

**LIPS LIMITED DIRECTORS:** Means those Committee members charged with overseeing the Committee and the Scheme Administrator.

**MEMBER:** Means a contributor to the LIPS Scheme.

**NOTICE OF ENTITLEMENT:** Means a Committee instruction to make payment to a member.

**SCHEME:** Means the scheme established by LIPS limited for the mutual benefit of the membership.

**SCHEME ADMINISTRATOR:** Means Acuma.

**SERVICE:** Means time as a pilot in the full-time employ of Emirates Airlines.

**UAE GCAA:** Means the General Civil Aviation Authority which is the federal, autonomous body set up to oversee all aviation-related activities in the United Arab Emirates.