COLLECTIVE BARGAINING AGREEMENT
dated December 2, 2008, between
THE BOEING COMPANY
and
SOCIETY of PROFESSIONAL ENGINEERING EMPLOYEES in AEROSPACE

Technical Bargaining Units

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COLLECTIVE BARGAINING AGREEMENT

Between
THE BOEING COMPANY

and
SOCIETY of PROFESSIONAL ENGINEERING EMPLOYEES in AEROSPACE

This Agreement is executed this 6th day of March, 2009, effective December 2, 2008, by and between The Boeing Company, a Delaware corporation having its principal place of business in Seattle, Washington (the "Company"), and Society of Professional Engineering Employees in Aerospace ("SPEEA" or the "Union"). The Union is the bargaining agent for the collective bargaining units described in Article 1 and the parties intend that this Agreement apply separately and respectively to each unit as if a separate Agreement had been executed as to each.

This agreement is a reflection of the parties' commitment to these shared values:

- To maintain a respectful, cooperative relationship.
- To work together to further the mutual success of both parties: positioning Boeing for continued competitive success in the marketplace while enabling SPEEA to best represent and serve its members.
- To resolve issues, to the greatest extent possible, through a collaborative process, marked by open communication and respect for each other's interests.

ARTICLE 1
RECOGNITION

Section 1.1 Recognition. For the purposes of collective bargaining with respect to rates of pay and other conditions of employment, the Company recognizes the Union as the exclusive bargaining agent for the collective bargaining units described as follows:

1.1(a) As defined by the Certification of Representative dated February 3, 1972, by the National Labor Relations Board in Case No. 19-RC-5993, those technical employees on the general office payroll of The Boeing Company working in the Company's plants in the State of Washington, including persons who are on travel status from such plants, who are classified by the Company in one of the job classifications listed in Appendix B attached hereto and including those persons assigned (other than on travel status) at Edwards AFB, California or Palmdale, California who are classified by the Company in one of the job classifications listed in Appendix B hereto; excluding guards and supervisors as defined in the National Labor Relations Act, employees in all other job classifications in the general office payroll, and all other employees.

1.1(b) All technical employees employed by The Boeing Company at its primary location at 19000 N.E. Sandy Boulevard, Portland, Oregon, as identified in the National Labor Relations Board Certification of Representative, dated August 7, 1981, in Case No. 36-RC-4471; excluding guards and supervisors as defined in the National Labor Relations Act and all other employees.

1.1(c) All employees of the Company assigned (other than on travel status) to the Inertial Upper Stage program at the Cape Canaveral Air Force Station, Florida who are classified by the Company in one of the job classifications listed in Appendix B hereto.

Section 1.2 Employees. For purposes of this Agreement, the term "employees" shall include only those persons referred to in 1.1.

ARTICLE 2
RIGHTS OF MANAGEMENT

Section 2.1 Rights of Management.

2.1(a) The terms and conditions of this Agreement are minimum and the Company shall be free to grant more favorable terms and conditions and to pay salary rates higher than the salary ranges shown in Article 11 to any employee.

2.1(b) The management of the Company and the direction of the workforce are vested exclusively in the Company subject to the terms of this Agreement. Without limitation, implied or otherwise, all matters not specifically and expressly covered or treated by the language of this Agreement may be administered for its duration by the Company in accordance with such policy or procedure as the Company from time to time may determine.

ARTICLE 3
GRIEVANCE PROCEDURE AND ARBITRATION

Section 3.1 Grievance and Arbitration Procedure. Grievances arising between the Company and its employees subject to this Agreement, or between the Company and the Union, with respect to the interpretation or application of any of the terms of this Agreement shall be settled according to the following procedure. Subject to the terms of this Article relating to cases of dismissal or suspension for just cause, or of involuntary resignation, only matters dealing with the interpretation or application of terms of this Agreement shall be subject to this grievance machinery.

Section 3.2 Employee Grievances.

3.2(a) Grievances on behalf of employees shall be handled as follows:

STEP 1. Oral Submission of Grievance to Supervisor. The employee and, at his or her option, a Union Representative shall contact the employee's supervisor and shall attempt to effect a settlement of the grievance. Such oral presentation shall be made within ten (10) workdays following the occurrence of the event giving rise to the grievance. The supervisor shall, within five (5) workdays thereafter, provide to the employee the answer to the grievance.

STEP 2. Oral Submission of Grievance to Major Organization Management. If the decision of the supervisor does not settle the grievance, the Union Representative shall within five (5) workdays subsequent to the receipt of the supervisor's answer contact the Human Resources Director, or designee, of the Major Organization in which the employee is assigned for the purpose of arranging a meeting to discuss the grievance. The meeting will be held within five (5) workdays following such request and shall be attended by the Union Representative and the employee and appropriate Company Representatives. The Company's answer to the grievance shall be made within ten (10) workdays following such meeting.

STEP 3. Written Submission of Grievance to Company Representative. If no settlement is reached, the Union Representative may immediately thereafter reduce a statement of the grievance to writing, which shall contain the following:

(a) The detailed facts upon which the grievance is based.

(b) References to the section(s) of the Agreement alleged to have been violated. (This will not be applicable in cases of dismissal or suspension for just cause, or of involuntary resignation.)

(c) The remedy sought.

The Union Representative shall submit such written grievance to the designated Company Representative within five (5) workdays following receipt of the answer provided in Step 2 above. After such submission the designated Company Representative and the Union Representative may, within the next ten (10) workdays, meet and settle the grievance, and over their signatures indicate the disposition thereof. Otherwise, promptly after the expiration of such ten (10) day period they shall sign the grievance indicating that the grievance has been discussed and reconsidered by them and that no settlement has been reached, and the designated Company Representative will promptly thereafter confirm in writing to the Union Representative the denial of the grievance.

STEP 4. Arbitration. If no settlement is reached in Step 3 within the specified or agreed time limits, then either party may in writing, within ten (10) workdays thereafter, request that the matter be submitted to an arbiter for a prompt hearing as provided in 3.4 through 3.6.

3.2(b) Employees shall not be discharged or suspended without just cause. An employee shall have the right to appeal a layoff, discharge, suspension, or involuntary resignation by filing a written grievance through the Union, beginning at Step 3, with the designated Company Representative within ten (10) workdays after the date of such layoff, discharge, suspension, or involuntary resignation.

3.2(c) When the Union requests arbitration on behalf of bargaining unit employees who have been laid off, discharged, or suspended, or who have involuntarily resigned, the Company and the Union will exercise reasonable efforts to have the arbitration hearing within ninety (90) days of the request for arbitration.

Section 3.3 Union Versus Company and Company Versus Union Grievances. Grievances which the Union may have against the Company or the Company may have against the Union, limited as aforesaid to matters dealing with the interpretation or application of terms of this Agreement, shall be handled as follows:

3.3(a) Such grievances shall be submitted to the designated Company Representative or President of the Union, as the case may be, or to their designated representatives, within ten (10) workdays following the occurrence of the event giving rise to the grievance and shall contain the following:

(1) Statement of the grievance setting forth in detail the facts upon which the grievance is based.

(2) The section(s) of the Agreement alleged to have been violated.

(3) The remedy sought.

3.3(b) The grievance shall be signed by the President of the Union or the designated Company Representative, as the case may be, or their designated representatives. If no settlement is reached within ten (10) workdays from the submission of the grievance to the designated Company Representative or the designated representative of the Union, as the case may be, both shall sign the grievance and indicate it has been discussed and considered by them and that no settlement has been reached and the party responding to the grievance will promptly confirm in writing to the other party the denial of the grievance. Within ten (10) workdays thereafter either party may in writing request that the matter be submitted to an arbiter for a prompt hearing as provided in 3.4 through 3.6.

3.3(c) No matter shall be considered as a grievance under this 3.3 unless it is presented to the designated persons within ten (10) workdays after occurrence of the last event on which the grievance is based.

Section 3.4 Selection of Arbiter – from Arbitration Panel. Contemporaneously with execution of this Agreement, the parties will agree upon a panel of nine (9) arbiters. The panel may thereafter be

augmented upon the mutual agreement of the parties. Selection of an arbiter to hear a particular case shall be made from the panel on a strike-through basis. The parties in turn shall have the right to strike a name from the panel until only one name remains. The right to strike the first name from the panel shall be alternated between the parties on a case-by-case basis.

Section 3.5 Selection of Arbiter – by Agreement. Nothing in 3.4 shall preclude the parties from mutually agreeing on an arbiter to hear and decide a particular case.

Section 3.6 Arbitration – Rules of Procedure. Arbitration proceedings shall be in accordance with the following:

3.6(a) The arbiter shall hear and accept pertinent evidence submitted by both parties and shall be empowered to request such data as the arbiter deems pertinent to the grievance and shall render a decision in writing to both parties within sixty (60) days (unless mutually extended) of the completion of the hearing.

3.6(b) The arbiter shall be authorized to rule and issue a decision in writing on the issue presented for arbitration, which decision shall be final and binding on both parties.

3.6(c) The arbiter shall rule only on the basis of information presented in the hearing and shall refuse to receive any information after the hearing except when there is mutual agreement, in the presence of both parties.

3.6(d) Each party to the proceedings may call such witnesses as may be necessary in the order in which their testimony is to be heard. Such testimony shall be limited to the matters set forth in the written statement of the grievance. The arguments of the parties may be supported by oral comment and rebuttal. Either or both parties may submit written briefs within a time period mutually agreed upon. Such arguments of the parties, whether oral or written, shall be confined to and directed at the matters set forth in the grievance.

3.6(e) Each party shall pay any compensation and expenses relating to its own witnesses or representatives.

3.6(f) The Company and the Union shall, by mutual consent, fix the amount of compensation to be paid for the services of the arbiter. The Union or the Company, whichever is ruled against by the arbiter, shall pay the compensation of the arbiter including necessary expenses.

3.6(g) The total cost of the stenographic record, if requested, will be paid by the party requesting it. If the other party also requests a copy, that party will pay one-half of the stenographic costs.

Section 3.7 Binding Effect of Award. All decisions arrived at under the provisions of this Article by the representatives of the Company and the Union, or by the arbiter, shall be final and binding upon both parties, provided that in arriving at such decisions neither of the parties nor the arbiter shall have the authority to alter this Agreement in whole or in part.

Section 3.8 Time Limitation as to Back Pay. Grievance claims regarding retroactive compensation shall be limited to thirty (30) calendar days prior to the written submission of the grievance to Company Representatives, provided, however, that this thirty (30) day limitation may be waived by mutual consent of the parties.

Section 3.9 Extension of Time Limits by Agreement. The time limits set forth in this Article are recognized by the parties as being necessary for prompt resolution of grievances. Reasonable extensions of these time limits may be arranged by mutual written agreement. If a decision is not rendered by the Company within the time limits established for Steps l and 2, Section 3.2, the Union may thereupon advance the grievance to the next step. Grievances not presented, or presented and not pursued, within the specified or mutually extended time limits will be considered waived.

Section 3.10 Conferences During Working Hours. All conferences resulting from the application of provisions of this Article shall be held during working hours.

Section 3.11 Signing Grievance Does Not Concede Arbitrable Issue. The signing of any grievance by any employee or representative of either the Company or the Union shall not be construed by either party as a concession or agreement that the grievance constitutes an arbitrable issue or is properly subject to the grievance machinery under the terms of this Article.

Section 3.12 Jurisdictional Disputes. Any disputes where the Union contends either (1) that work performed by represented employees not within one of the units described in Article 1 should be performed by employees within one of said units, or (2) that represented employees not within one of the units described in Article 1 should be included within one of said units, shall not be subject to the grievance and arbitration provisions of Article 3. This Section 3.12 shall not apply to such disputes where the Union obtains the written consent of all other interested bargaining representatives to participate in and be bound by the decision of an arbitrator or panel of arbitrators.

ARTICLE 4
PERFORMANCE MANAGEMENT

Section 4.1 Performance Management Process. The Union and the Company agree that many factors contribute to employee performance. The Performance Management Process provides a method for employees and management to determine individual performance goals, assess performance against those goals and performance values, and establish developmental plans to address performance needs or gain additional knowledge, skills and abilities as necessary.

4.1(a) Each employee, including new hires, and his or her supervisor will participate in periodic Performance Management discussions, which may be initiated by either party. Discussions should promote a mutual understanding of all factors that contribute to or are affected by performance, such as:

- job assignment, responsibilities and expectations;
- the effect of performance on salary reviews;
- the effect of performance, knowledge, skills, abilities and other characteristics on retention ratings;
- education and/or significant experience gained by the employee and related to his or her career progress within the Company;
- other assignments, skills, or classifications that the employee may be qualified to perform.

For newly hired employees, Performance Management discussions should be initiated as soon as possible and occur as frequently as necessary to ensure early alignment with organizational goals and objectives and performance expectations, encourage job progress and growth, and ensure a smooth transition into the workforce.

4.1(b) The Performance Management Process consists of four activities: goal setting, coaching and feedback, assessing performance and employee development.

4.1(b)(1) "Goal setting" consists of documenting job responsibilities and establishing individual performance goals and objectives, based on previously communicated organizational business goals and objectives.

4.1(b)(2) "Coaching and feedback" consists of the following:

- Ongoing discussions that provide valid, constructive, performance-based feedback related to goal attainment and/or performance values,

- Frequent and focused coaching interactions between employees and supervisors,

- Encouraging further development of those employees who meet or exceed expectations, and

- Provide feedback to help those who are falling short to identify and overcome impediments to their success.

4.1(b)(3) "Performance assessment" consists of an ongoing communication and assessment of previously defined job responsibilities and performance goals and objectives as well as the performance values. Assessment results from each review shall be recorded in the Company Performance Management record system. Employees are responsible for continuously updating their plan as goals and objectives change.

4.1(b)(4) "Employee development" is a discussion and coaching process to help employees and managers work together to enhance the employee's knowledge, skills and abilities to meet current and future business needs. Additionally, it provides a mechanism to support the development of skills and abilities so that each employee has the opportunity to develop professionally and personally.

4.1(c) Each employee will have at least one (1) interim review for coaching and feedback and one (1) performance assessment review during each twelve-month period. Employee and supervisor are encouraged to conduct additional interim reviews as often as appropriate.

4.1(d) In the final assessment review meeting, overall performance is assessed, summarized, and documented. This meeting will include a discussion regarding the assessment's relationship to the salary review and retention index review processes. Managers with employees on a cross training, rotational or other temporary assignment should contact appropriate managers to solicit input, as applicable.

4.1(e) Performance Management sessions (goal setting and assessment reviews) shall be scheduled to maximize their utility in salary and retention rating decisions.

Section 4.2 Performance Management Form. Forms used in the Performance Management Process shall be the same for all SPEEA-represented employees and consistent with the established processes used by the Company.

Section 4.3 Process Revision. The Performance Management process and utilization will be reviewed jointly in each year of this Agreement through the Joint Workforce Committee in accordance with Attachment 6. Changes to the Performance Management Process are subject to the approval of both parties.

ARTICLE 5
VACATION PLAN

Section 5.1 General. Reasonable time away from the job is conducive to good health and well being and is considered in the best interest of the employee and the Company. Each employee should have the opportunity to schedule and take vacation each year and thereby use their vacation credits, allowing adequate staffing for Company operations.

Section 5.2 Accumulation of Vacation.

5.2(a) Vacation credits are accrued daily and awarded weekly, with credits increasing on the basis of established increments as follows:

Company Service	Annual Vacation
1 thru 4 years	80 hours
5 thru 9 years	96 hours
10 and 11 years	120 hours
12 and 13 years	128 hours
14 and 15 years	136 hours
16 and 17 years	144 hours
18 years or more	160 hours

Company service date will be used to determine the credits to be awarded. Vacation credits may accumulate to a maximum of two (2) years of credit (as determined from above schedule). No additional vacation credits will be accrued until the number of credits in the account drops below the two (2) year maximum. Deviations to the two (2) year maximum accrual must be approved by the business unit Compensation organization.

Vacation credits will not be accrued in excess of ninety (90) calendar days on a leave of absence.

5.2(b) Part-time employees are awarded vacation credits in accordance with the above schedule on a pro-rata basis. Vacation credits will be prorated based on hours paid (excluding overtime and short-term disability leave payments).

5.2(c) Vacation accounts will be maintained to the nearest tenth of an hour unit.

Section 5.3 Use of Vacation Credits.

5.3(a) Subject to management approval based on Company work schedule requirements, previously awarded vacation credits may be used by the employee without limit. Management will encourage employee use of vacation for time off within the period credits are available. Use of vacation at times convenient to the employee will be arranged to the extent permitted by Company work schedule requirements.

5.3(b) Vacations are to be taken as time off and there will be no pay in lieu of time off.

5.3(c) Generally, vacation credits are to be used in units equal to the scheduled hours in the employee's normal workday; however, vacation credits may be used in lesser amounts to permit a partial day absence. Also, in cases when sick leave credits are exhausted, a partial day of absence for sick leave may be charged against vacation credits in any amount up to the scheduled hours in the employee's normal workday.

5.3(d) Part-time employees normally will use vacation credits in amounts comparable to their part-time work schedules. However, subject to the scheduling requirements of his or her organization, a part-time employee may request and receive vacation in eight (8) hour increments.

5.3(e) Holidays occurring while an employee is on vacation are not deducted from vacation credits.

5.3(f) Payment for vacations will be made at the employee's base rate in effect at the time vacation is taken plus, if applicable, any supplement to the base rate approved by the Company for inclusion in vacation pay.

5.3(g) An employee on leave of absence is eligible to use vacation credits.

Section 5.4 Vacation Pre Load. Employees hired or rehired into the Company will have their vacation account credited with one half their annual vacation accrual. Those hours may be used subject to 5.3(a). Normal vacation accrual will commence after six months of employment.

Section 5.5 Vacation Payment on Termination. An employee who terminates for any reason will be paid for all unused credits in his or her vacation account and all accrued vacation through the last day worked.

Section 5.6 Vacation Credits When Payroll Is Changed. In all cases involving the transfer of an employee from one payroll to another, the provisions of the Company's procedures pertaining to vacations, as may be revised from time-to-time by the Company, shall be applicable.

ARTICLE 6
SICK LEAVE, BEREAVEMENT LEAVE AND FAMILY ILLNESS

6.1 Purpose and Benefit of Sick Leave Hours.

Generally, sick leave is provided to help prevent a loss of wages when absent from work for one or more of the following reasons:

- Illness of employee, including physical incapacity of a female employee due to her pregnancy,
- Illness or injury in the family (requiring the employee's presence),
- Death in the family (includes domestic partner) to attend the funeral or deal with matters related to the death. Management may grant up to 3 days of personal time off with pay (PTO), pursuant to the Company guidelines, should the employee's various sick leave accounts and vacation balance be depleted.
- Medical or dental appointment which can be scheduled only during the working hours.
- Birth and care of a child of the employee.
- Placement of a child with the employee for adoption or foster care.

6.2 Definitions and Sick Leave Accrual Rates.

- **Sick leave eligibility/anniversary date –** date on which an employee begins to accrue sick leave hours each year. This is the anniversary of the employee's last start date.
- **Current sick leave account –** an account in which current year awarded sick leave hours are accumulated, maintained and used.
- **Unused sick leave account –** an account in which sick leave earned but not used from previous years is accumulated and is maintained for use as needed. These hours accumulate from year to year without limit to the total number of accumulated hours.

6.3 Award, Accumulation and Maintenance of Sick Leave Hours

- **Award –** after completing one full month of continuous Company service, employees are awarded eight hours each consecutive month, up to a maximum of eighty (80) hours per sick leave eligibility year. These hours are available for use in the current sick leave account.
    - When the continuity of employment is broken other than by layoff or termination to enter military service, an employee must begin with the date of reemployment to accumulate one (1) month continuous active service with the Company before being eligible for sick leave.
    - For part-time employees, sick leave credits will be accumulated in the proportion that the hours worked bear to full-time hours, rounded to the nearest one-tenth hour unit.

- **Accumulation –** upon reaching the annual sick leave eligibility date, one half of the remaining hours in the current sick leave account will be moved to the unused sick leave account and maintained there while the other half of the current year account is forfeited.

- **Maintenance of Current Sick Leave Account –** when this account is zeroed out upon reaching the employee's eligibility/anniversary date, a new sick leave award period begins.

- **Maintenance of Unused Sick Leave Account –** when half of the current sick leave balance is transferred to this account, the new balance will immediately reflect the addition of these hours to the previous balance. There is no maximum balance limit for this account.

Other Accrual Provisions (Full-Time Employees)

- Award of sick leave hours will continue for the first 90 calendar days of a leave of absence.

- Use of sick leave hours immediately after the employee's expected return date from a leave of absence does not constitute a return to work for the purposes of sick leave accrual. Sick leave hours will continue to accrue if the employee is still within the 90-day period from the leave start date. Sick leave accrual will not resume during the use of sick leave hours immediately beyond the 90-day period from the leave of absence start date.

- For partial months, the sick leave hour award is 1/30 of eight hours sick leave for each day of the month for which the employee is eligible to accrue sick leave. These hours are rounded to 1/10 of an hour.

- Eligibility dates and accumulated sick leave credits established prior to this Agreement will not be changed as a result of this Agreement.

6.4 Use of Sick Leave Hours

When using sick leave hours, the various sick leave accounts will be charged in the following order:

1. Current sick leave account.

2. Unused sick leave account.

3. Any accrual under a collective bargaining agreement that provides for usage upon leaving the unit.

4. Financial Security Plan (at the employee's option).

Full Time Exempt

- If the employee is absent for a full day, employees must use hours equal to scheduled workday hours as reflected in the ETS baseline work schedule.

- If the employee is absent for a partial day, employees may use personal time off (PTO) with pay for incidental medical absences that can't normally be scheduled outside the employee's ETS baseline work schedule. [ETS code for this PTO is "Non-Industrial Illness".]

Full Time Non-Exempt

- Employees shall use sick leave hours equal to the scheduled workday hours as reflected in the ETS baseline work schedule or in partial day increments. Employees who have no accrued sick leave hours in their unused or current sick leave accounts may charge these authorized absences to vacation hours or PTO without pay. (PTO with pay is not authorized.)

Part-time

- Employees shall use sick leave hours equal to scheduled workday hours or may request and use sick leave hours in eight (8) hour increments. ETS will allow partial day increments for part-time employees.

6.5 Financial Security Plan (FSP)

6.5(a) Continuation of Plan. Subject to the continuing approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities, as more particularly hereinafter specified, a Financial Security Plan (the "Plan") in the form as now in effect as to the employees within the units to which this Agreement relates shall continue to be effective while this Agreement is in effect as to such employees in accordance with and subject to the terms, conditions and limitations of the Plan. No new contributions will be made to the Financial Security Plan with respect to Members after December 22, 2005. All other features of the Plan shall remain in place including, but not limited to, the ability to direct investments and the rules regarding distributions.

6.5(b) Approval of Plan. Approval of the Plan by the Commissioner of Internal Revenue as referred to in 6.5(a) means a continuing approval sufficient to establish that the Plan and related trust(s) are at all times qualified and exempt from income tax under Section 401(a) and other applicable provisions of the Internal Revenue Code of 1986.

6.5(c) Accrued Benefit. An employee who has an accrued benefit under the Financial Security Plan shall retain such accrued benefit under the Plan subject to the current provisions of the Plan.

Section 6.6 Unused Sick Leave. Upon retirement under the Company's retirement plan or upon termination (except for cause) while retirement eligible, employees will receive payment for fifty percent (50%) of their unused sick leave balance account hours remaining on the date of termination. If eligible for payment, one half of the Current Sick Leave Balance remaining after current year usage will be moved to the Unused Sick Leave Balance account and paid as defined above. Such hours will be paid at the employee's then-current base rate, subject to a maximum rate that is established from time-to-time by the Company for all salaried employees.

ARTICLE 7
HOLIDAYS

Section 7.1 Dates on Which Observed. Holidays observed during the term of this agreement are identified in Appendix A.

For the period following Tuesday, September 4, 2012, through the remaining effective period of this Agreement, the holidays to be observed under the terms of this Article shall be those holidays scheduled and observed by the Company.

Section 7.2 Unworked Holidays. Employees shall receive eight (8) hours pay for unworked holidays (reference Appendix A), at their base rate in effect at the time the holiday occurs, plus applicable shift differential, if, on the holiday, they are either on the active payroll or not on leave of absence for longer than ninety calendar days. Employees not on leave of absence who take leave without pay (LWOP) at the time the holiday occurs shall be eligible for holiday pay.

Section 7.3 Worked Holidays. Employees who are required to work the above-named holidays shall receive the pay due them for the holiday, plus double their base rate for all hours worked on such holiday plus work schedule incentives, if applicable, unless the employee starts to work at 9:00 p.m. or thereafter on that day.

Section 7.4 Holidays during Vacation. Holidays occurring while an employee is on vacation are not deducted from vacation credits.

Section 7.5 Employees Prevented from Working because of Local Holidays. Employees assigned to a non-Company facility who are prevented from working their assigned shift because a holiday not listed in Appendix A is recognized at that facility shall be paid for such assigned shift unless the Company, at its option, modifies the work schedule for the week in which the holiday falls so that the employees are able to work a full work week. In all cases hours worked on scheduled days of rest will be treated as overtime under 11.2.

ARTICLE 8
WORKFORCE ADMINISTRATION

Section 8.1 Employees to Whom This Article is Applicable.

This Article 8, subject to 8.8(c), applies and refers separately to employees within each of the three (3) bargaining units described in Article 1, except that (1) the provisions of Article 8 shall be applied separately to Edwards AFB, California and Palmdale, California combined, and (2) an employee at Edwards AFB or Palmdale who has transferred to either California assignment from a SPEEA-represented position in Washington will be treated for purposes of eligibility for retention at Washington as though surplused from the Major Organization with which the employee was identified immediately prior to transfer to Edwards AFB or Palmdale and in accord with the retention provisions of this Agreement.

Section 8.2 Objective. The general objective of the procedure stated in this Article is to provide for the accomplishment of workforce reductions for business reasons, to the end that, insofar as practicable the reductions will be made equitably, expeditiously and economically, and at the same time will result in retention on the payroll of those employees regarded by management as comprising the workforce that is best able to maintain or improve the efficiency of the Company, further its progress and success and contribute to the successful accomplishment of the Company's current and future business. The location, occurrence and existence of any condition necessitating a workforce reduction, and the number of employees involved, will be determined exclusively by the Company. Following such determination, the Company will notify the Union of the location and the estimated size and job classifications and skills management code(s) involved in the anticipated workforce reduction. Wherever practicable, affected employees will be given two (2) weeks' notice prior to layoff and will receive consideration for open positions in accordance with 8.7.

It is recognized by both parties that it is necessary to work certain skill coded employees overtime while at the same time workforce reductions involving the same skill codes will be taking place. Management will review the use of overtime in any skill code in which layoffs are contemplated with the intent of minimizing the use of such overtime. Management, at its sole discretion, will determine the level of overtime to be worked.

Section 8.3 Definitions

8.3(a) "Job Classification." The term refers to a job that the Company defines with a six digit alphanumeric code as set forth in Article 22.

8.3(b) "Skills Management Code." Skills Management Code is referred to throughout this Article as "SMC." SMCs identify unique knowledge, skills, abilities, and environments within the job family.

8.3(c) "Major Organization." The term means a major organizational element of the Company reporting to the Chief Executive Officer of The Boeing Company or identified as such by the Chief Executive Officer of The Boeing Company. The Company shall provide to the Union in writing a current list of major organizations and advise the Union as soon as practicable of changes made thereto.

8.3(d) "Surplus." The term refers to a condition in which the Company determines that the assigned number of individuals exceeds the needs of the activity, project, program or organization to which the individuals are assigned. A surplus may or may not result in layoffs. To the extent deemed practicable by the Company, surpluses will be resolved by placing individuals in other assignments.

Section 8.4 Retention Indexing/Ratings. Each employee will be assigned by the Company a comparative rating as follows, giving consideration to each employee's competence, diligence, and demonstrated usable capabilities based upon the employee's current performance and a review of the employee's previous performance.

The individual rating will be referred to as a "retention rating," and the process of applying these ratings and compiling them in order of rating, as retention indexing.

Retention ratings assigned to employees prior to the execution date of this Agreement will remain in effect until changed under provisions of this Article.

8.4(a) Frequency. A retention index review will be held at least four (4) times during the term of this Agreement and not less frequently than once each twelve months following the execution date of this Agreement, with the precise intervals to be determined by the Company. The Company will attempt to complete retention index reviews as near as practicable to completion of the final review phase of the Performance Management process.

8.4(b) Retention Index Group Make-up. Retention index groups shall be comprised of employees with identical job classifications and SMCs. Employees with identical job classifications and SMCs are to be grouped so as to keep to the lowest practicable minimum the number of separate groups in each Major Organization. All the employees in a retention index group shall be in the same Major Organization.

8.4(b)(1) Employees on part-time work schedules as defined in the Letter of Understanding entitled "Part-time Employment" will be retention indexed with employees on full-time work schedules. Length of Company service will be a positive factor to the extent that the experience so gained continues to be reflected in increased capability.

8.4(b)(2) Interns. All employees in an intern job classification will not be included in or subject to the periodic retention index review.

8.4(c) Review Process. The Company will determine the retention rating of each employee, the members of management who will participate in retention index reviews, the retention index groups to be used, the timing, and the other mechanics and details of such reviews. The Company will instruct and periodically will reinstruct members of management participating in the process to assign retention ratings with the greatest possible care and objectivity, giving full consideration to the objectives stated in 8.2 and 8.4. Such instructions will stress that retention indexing is to be accomplished without regard to potential adjustments for Company service as provided for in 8.4(f). It is recognized that any practicable process of retention indexing cannot be completely free of error as to method used or as to resulting retention ratings, taking into account: the large numbers of employees, job classifications and SMCs, organizations and requirements involved; the fact that numerous management representatives necessarily must participate in the process; and that many of the factors which must be dealt with are intangible in nature. Managers with employees on a cross training, rotational, or other temporary assignment should contact appropriate managers to solicit input, as applicable.

8.4(d) Distribution. Retention indexing will result in each employee being rated in one of three (3) categories, hereinafter referred to as R1, R2 and R3. Each employee will be assigned a retention rating such that, as nearly as is mathematically practicable, the retention rating distribution for each job classification and SMC within each retention index group is R1 - 38 to 42%, R2 - 38 to 42%, and R3 - 18 to 22%. Employees classified as Technical Principals shall not be subject to those distribution requirements.

Since personnel transactions will occur subsequent to each periodic review, it shall not be necessary to maintain this distribution during intervals between periodic reviews.

8.4(e) Designating Employees as Ineligible for Priority Recall Consideration. Designated employees will be identified as part of the retention indexing process and advised in writing via the retention rating notification per 8.4(g) that, in the event of layoff during the period of time between retention index reviews, they will have no priority recall consideration.

- Designated employees must have an assigned R3 retention rating.
- Designated employees will be identified by skill teams.
- Designated employees who have one full year of service and who elect to receive income continuation benefits under 21.3(a)(1) will nevertheless be ineligible for priority recall consideration.

Employees who have been so designated will be provided with an Employee Improvement Action Plan which will identify the specific conditions leading to the designation and improvements necessary to avoid such designations in the future. Management and the employee will have on-going discussions about the employee's progress in achieving the objectives outlined in the action plan. The Company will promptly notify the Union of the identities of designated employees. The identification of designated employees shall not be subject to Article 3; however, designated employees may appeal the designation regardless of their previous retention rating in accordance with 8.4(h).

Designations will remain in effect until the next scheduled retention index review exercise or the employee's designation is reevaluated per 8.6(b)(3) prior to layoff.

8.4(f) Adjustments for Company Service. As a part of each periodic retention index review, and immediately following completion of the distribution procedure set forth in 8.4(d), adjusted retention ratings will be assigned in compliance with the following:

- Employees with twenty (20) or more years of Company service whose assigned retention rating is R3 will be given an adjusted retention rating of R2.
- Employees with thirty (30) or more years of Company service whose assigned retention rating is R2 will be given an adjusted retention rating of R1. Such adjustments will be reflected in the written notification to each employee described in 8.4(g). (Employees who reach the aforementioned Company service dates between periodic retention index reviews will receive an adjusted retention rating accordingly.)
- Employees may elect to temporarily waive any service adjustment by sending a digitally signed email to their Skill Captain stating their desire to waive their adjusted rating. The waiver of the service adjustment will remain in place until the next periodic retention index review.

The adjusted retention rating shall apply as regards the layoff sequence described in 8.5. Employees designated pursuant to the process described in 8.4(e) for two (2) consecutive retention index reviews will not be eligible for service adjustments upon receipt of the second designation. Such employees may appeal their designation using the process described in 8.4(h).

8.4(g) Employee Notification. Following each periodic retention index review, the Company will provide each employee with a written notification of the employee's retention rating not later than the effective date, except where such a schedule is made impracticable due to the unavailability of the employee or the supervisor occasioned by vacations, travel assignments, etc. In such circumstance the notification will be given as soon as practicable. In addition, management will offer to discuss the new retention rating with employees. The written notification will contain the following elements:

- The employee's job classification and SMC,
- The employee's assigned retention rating and adjusted rating, if any, under 8.4(f),

- The effective date of the retention rating,

- The number of employees in each of the three (3) retention index categories as adjusted under 8.4(f), within the employee's retention index group as defined in 8.4(b),

- The Assessment Criteria used for the employee's job classification and SMC,

- The name of the member of management who chaired the review (Skill Captain),

- The notice to an employee who is identified by their skill team as designated per 8.4(e) shall include the following statement: "Designated: In the event of layoff during the period of time between this retention rating effective date and the next you will have no first consideration recall rights."

8.4(h) Retention Rating Appeals. The retention indexing process will not be subject to the grievance procedure; however, an employee who feels the retention rating assigned during the periodic retention index review is inappropriate may at any time discuss the matter with his or her immediate supervisor. If within 30 calendar days following notification of the assigned retention rating, the employee elects to appeal the rating, and discussion with the immediate supervisor has not resolved the employee's concern, certain ratings may be appealed for further review as provided below:

8.4(h)(1) The assigned retention rating represents a one or more position drop from the previous assigned rating and it is substantiated that the drop is not due to the effect of a workforce reduction and/or consolidation of retention index groups.

8.4(h)(2) The employee has remained in the same job classification and SMC and been assigned a retention rating of R3 during four (4) or more consecutive retention reviews.

8.4(h)(3) Employees designated pursuant to the 8.4.(e) may appeal their designation regardless of their previous retention rating.

8.4(h)(4) The employee so affected will address his or her concerns in writing to the Union setting forth the basis for such appeal.

8.4(h)(5) If the Union believes the employee's appeal warrants further review, the Union will notify the Enterprise Senior Workforce Manager within ten (10) workdays of receipt of the employee's appeal.

8.4(h)(6) Within ten (10) workdays following such notice, a Skill Team/Functional Human Resources Representative, a Workforce or Employee Relations Representative and a Union Representative will meet to resolve the appeal. Pertinent information may be obtained from the employee, the immediate supervisor, and/or the Skill Captain for this meeting.

8.4(h)(7) The parties identified in 8.4(h)(6), above, will resolve the appeal by majority decision at the meeting or within five (5) workdays thereafter. In the event the Union considers the decision to be inappropriate to the facts of the case, the Union may advance its appeal to the Enterprise Senior Workforce Manager. Such resolution by majority decision or by decision of the Enterprise Senior Workforce Manager will be final and binding and will conclude the appeal process.

8.4(h)(8) If the result of an appeal over a two-position drop in retention rating is in favor of the employee, one of the following options may be selected as determined by Company and Union representatives:

- Restoration to the previous retention rating of R1, or

- Modification of the assigned retention rating to R2.

8.4(i) Out-of-Sequence Retention Ratings.

8.4(i)(1) The retention rating of an employee who is reclassified between periodic retention index reviews will not change except as follows:

8.4(i)(1)a With a reduction in level within a job family, the employee will automatically receive a retention rating of R1 until the next retention index review.

8.4(i)(1)b With an increase in level within a job family, the employee will automatically receive a retention rating of R3 until the next retention index review.

8.4(i)(2) An employee who returns from leave of absence between periodic retention index reviews shall retain the same retention rating as before the leave of absence until management assigns the employee a different retention rating and so notifies the employee.

8.4(i)(3) An individual who returns from layoff shall be assigned the retention rating of record at the time of layoff, providing there has not been a retention index review during the layoff period. The individual will automatically be assigned retention rating R3 if a retention index review has been conducted during the layoff period.

8.4(i)(4) An individual who transfers into the bargaining unit between periodic retention index reviews shall automatically be assigned retention rating R3 until management assigns the employee a different retention rating and so notifies the employee.

8.4(i)(5) The out-of-sequence retention rating assigned under the provisions of 8.4(i)(1) through 8.4(i)(4) will be reaffirmed or superseded by the retention rating assigned during the next periodic retention index review.

8.4(i)(6) An employee whose job family and skills management code changes between periodic retention index reviews will be regarded as having the retention rating held immediately prior to the job family and skills management code change, until management assigns a different retention rating and so notifies the employee.

Section 8.5 Redeployment Procedures.

8.5(a) Application. When a workforce reduction is determined by management to be necessary within one or more job classification(s) and SMC(s) in a Major Organization, management will follow the applicable provisions of Article 9 and designate for layoff the required number of employees within such job classification(s) and SMC(s), beginning with the lowest retention rating. Exceptions to the designation for layoff may be made by the Company where it desires to retain by level a maximum of 20% or three employees, whichever number is greater, within an affected job family and SMC in the Major Organization as of the time of the most recent retention index review.

Rounding is permitted within the following parameters:

No. of Employees	Parameter
1 to 17	up to three (3) employees may be subject to the 20% exception
18 to 22	four (4) employees may be subject to the 20% exception
23 to 27	five (5) employees may be subject to the 20% exception; etc.

Employees designated for layoff who are in Level 2 or B and above shall receive a downgrade offer as an option to layoff, if, within the same Major Organization, there are lower level employees (regardless of retention rating) within the same job family and SMC.

8.5(b) Nothing in this Article is intended to preclude management from using other actions, such as employee transfers, reclassifications, reassignments, or combinations thereof, which are not inconsistent with the terms and conditions set forth in this Agreement, in order to avoid or reduce the necessity to initiate or carry out workforce reductions.

8.5(c) Employees laid off after refusing less than equivalent job offers made as a result of redeployment activities will be considered involuntary layoffs and will be eligible for layoff benefits as defined in Article 21.

8.5(d) During periods of surplus activity, the Company may make available programs intended to mitigate the impact of layoffs. The Company will advise the Union of these programs and their availability.

8.5(e) Employees on travel status may not be laid off while on such status. Such employees shall not be counted among or reduce the number of exceptions permitted by the provisions of 8.5 nor shall their retention rating prevent the layoff or downgrade of employees with higher retention ratings who are otherwise subject to such action.

8.5(f) Exceptions to Foregoing Procedures.

8.5(f)(1) The Company may lay off employees from the unit without regard to the provisions of this procedure, provided the number of such layoffs per month does not exceed 0.25% (one quarter of one percent) of the total number of employees employed in the bargaining unit on the first day of that month.

8.5(f)(2) In instances where, in the opinion of management, the foregoing procedures set forth in 8.5 do not achieve the objectives stated in 8.2, exceptions thereto, without any limitation as to the number, may be made when approved by the Chief Executive Officer of the Company or designated representative. It will be the responsibility of any supervisor who recommends such an exception to prepare and transmit through the line organization to the Major Organization Manager, and then to the Office of the Chief Executive Officer of the Company or designated representative, a detailed report of the proposed exception(s) and the reasons therefor. An explanation, prior to implementation, will be provided to the Union.

Section 8.6 Layoff Status and Return to Active Employment.

8.6(a) Maintenance of Layoff Status.

8.6(a)(1) Each employee laid off under the provisions of this Article will remain on layoff status for a total period of three (3) years from the date the layoff was effective, subject to 8.6(a)(3).

8.6(a)(2) The Company will maintain a list of the names of all laid off employees, except those determined ineligible under 8.6(b)(3), those who have received layoff benefits as a lump sum under 21.3(a), and those identified under 8.4(e).

8.6(a)(3) An employee shall remain on layoff status for recall consideration and layoff benefits in accordance with 8.6(a)(1), provided he or she does not:

8.6(a)(3)a Reject consideration for employment, for example, fail to respond to a Company contact, letter of interest, request to update Conflict of Interest status, or formal offer from the Company of a job within ten (10) workdays after such contact by the Company or by such later date as may be stipulated by the Company, or the Company was unable to contact the laid off employee due to non-existent or inaccurate contact information on record in TotalAccess and the Company's Employment Staffing System, or

8.6(a)(3)b Refuse a formal offer from the Company for a full-time job within the bargaining unit or in the same labor market area from which laid off, for which the salary

and level offered is equal to or greater than the employee's salary at the time of layoff plus any contractual minimum wage increases that were applied during the time period between layoff and recall, or

8.6(a)(3)c Fail to report to work within ten (10) workdays following acceptance of a formal Company offer or on such later date as may be stipulated in the Company offer, or

8.6(a)(3)d Elect retirement under the Company Retirement Plan thereby removing themselves permanently from layoff status.

8.6(a)(4) Employees removed from layoff status for any reason other than retirement or expiration of the three-year period following layoff will be notified in writing of such removal, and the reasons therefor, by the Company.

8.6(a)(5) Laid off employees who are prevented from meeting the conditions described in 8.6(a)(3)a, 8.6(a)(3)b, 8.6(a)(3)c, or 8.6(b)(4) solely due to medical disability, verified to the Company's satisfaction by their personal physician, shall upon request be granted a waiver for the missed requirement(s).

8.6(a)(6) If any employee on layoff status disputes his or her recall status as reflected in Company records, Company records shall prevail unless the employee can produce proof of registration pursuant to 8.6(b)(4).

8.6(b) Return to Active Employment.

8.6(b)(1) It is a mutual objective of the Company and the Union that laid off employees who have not been determined ineligible under 8.6(b)(3), 21.3(a), or 8.4(e) be recalled to active employment, and a mutual desire that such recall into the Major Organization from which the employee was laid off be offered in approximate reverse order of layoff, with the objective of matching laid off employee skills to job requirements as defined in 8.6(b)(1)c. Accordingly, laid off employees on file for recall pursuant to 8.6(b)(4) will be offered return to active employment within the applicable job classification and SMC in approximate reverse order of layoff, prior to workforce additions from sources external to the Company, subject to the following limitations:

8.6(b)(1)a Eligible laid off employees must set up and maintain a profile in the Company's Employment Staffing System.

8.6(b)(1)b Nothing in 8.6 will preclude the Company from concurrently hiring from sources outside the Company when projected requirements exceed the number of laid off employees in applicable job classification(s) and SMC(s) on file pursuant to 8.6(b)(4) who are eligible for an offer of recall. In such instances, qualified laid off employees with priority recall consideration within the applicable job classification and SMC shall be extended a job offer.

8.6(b)(1)c In making recall hiring decisions, the Company will review the specific qualifications of individuals on the basis of product familiarity, specialized experience or education, customer requirements, and the need to achieve the most efficient and accurate match of individual capabilities to job requirements. Consequently, not all Company decisions relating to recall hiring can promote the mutual objective and desire stated above. Accordingly, only decisions relating to matching employee's skills to job requirements will be subject to Article 3 following completion of a review by the Enterprise Senior Workforce Manager.

8.6(b)(1)d Within a job classification, when the priority recall roster has been cleared in a specific level yet an opening exists and one or more individuals in lower levels remain on

the priority roster, managers should review existing statement of work to determine if statement of work can be reorganized to consider lower level recall candidates and/or review current internal employees to determine if an individual's statement of work and demonstrated skills warrant promotion and subsequently backfill the lower level statement of work with a recall candidate.

8.6(b)(2) The Company periodically will review with the Union the operation of 8.6(b)(1) in order to facilitate achievement of the mutual objective and desire stated above.

8.6(b)(3) Prior to layoff the Company will review employees to determine eligibility for reemployment consideration under 8.6(b)(1). The review will be limited to those employees for whom there is supporting documentation of performance deficiencies and/or a pattern of unacceptable conduct. The review will be performed by the cognizant Skill Team Captain for the employee's job classification and SMC. Based on the review, the employee will be advised no later than the time the layoff notice is issued as to his or her eligibility for reemployment consideration under 8.6(b)(1). An employee determined ineligible may appeal such determination to the cognizant Skill Team Captain. If the appeal does not resolve the matter, the employee may then file a grievance in accordance with Article 3. Such grievance shall be limited to the first three (3) steps of the grievance procedure and shall not be subject to arbitration.

8.6(b)(4) Priority Recall Registration Requirements:

8.6(b)(4)a To be considered for and maintain priority recall status, the following requirements must be completed:

1. The laid off employee must keep the Company informed of his or her interest in returning to active employment by registering for priority recall consideration using electronic filing via the online Recall Registration & Status Tool in TotalAccess. Initial filing for priority recall consideration for return to active employment must occur during the half calendar year in which they were laid off or within 60 days of their layoff date, whichever is greater.

2. A profile must be created and maintained in the Company's Employment Staffing System as required under 8.6(b)(1)a.

3. Priority recall consideration status must be maintained by registering via TotalAccess once each consecutive calendar half-year period (January through June; July through December) during the three-year period from the date of layoff. Electronic filing for the next half calendar year must be completed via TotalAccess prior to the expiration of the current half-year period.

8.6(b)(4)b Individuals who do not properly register in each calendar half-year period will have priority recall consideration eligibility revoked for the remainder of the three-year period. Eligible laid off employees on file for return to active employment are subject to the provisions of 8.6(a).

8.6(c) Salary and Level of Returning Laid Off Employees. Company offers to laid off employees for return to active employment will be extended at whatever salary and level is deemed by management to be appropriate and will be equal to or greater than the employee's salary at the time of layoff, plus any contractual minimum wage increases that were applied during the time period between layoff and recall. Rejection of a formal Company offer for a position outside the bargaining unit or a labor market area other than from which laid off, or at a salary lower than the employee's salary at time of layoff plus any contractual minimum wage increases that were applied during the time period between layoff and recall, or a level lower than the level from which laid off, will not be cause for removal from layoff status.

8.6(d) Employees who remain on layoff status for the full period specified in 8.6(a)(1) will for a period up to six years from the date the layoff was effective remain eligible for certain additional retirement benefits as specified in the Retirement Plan.

8.6(e) The Company will maintain a record of all laid off employees who are on layoff status under the above provisions.

Section 8.7 Procedure Relating to the Filling of Positions.

8.7(a) The parties agree that it is in their mutual interest to assure that favorable promotional and retention consideration is granted to those individuals who are best able to maintain or improve the efficiency of the Company, further its progress and contribute to the successful accomplishment of current and future business. As such, an individual's qualifications will be evaluated based on the job specifications, Salaried Job Classification, job competencies, work experience relevant to the job, education, and other job-related requirements as specified (for example, security clearances). Accordingly, in the filling of open positions, priority consideration will be given to the development, advancement and retention of the existing workforce. The existing workforce is defined as those employees on the active payroll or on an inactive leave of absence. Considerations for filling job openings are as follows:

8.7(a)(1) Employees on the active payroll who have been declared surplus and/or who have been previously downgraded due to surplus shall have priority consideration for open positions.

8.7(a)(2) The Company may either transfer a qualified employee from within the existing workforce or return a qualified laid off employee from priority recall status.

8.7(a)(3) The Company may either return a qualified employee from active recall status or hire a qualified candidate from external sources.

Company actions set forth in this 8.7 may be appealed by the Union to the Enterprise Senior Workforce Manager, but will not be subject to the grievance and arbitration procedures.

8.7(b) Job Posting Process. The Company will maintain an environment in which employees can make known their interest in transferring to other positions for which they are qualified to perform and which may satisfy their personal needs. A job posting and transfer process will be maintained which will allow employees, without fear of reprisal, to make application for transfer and receive consideration as a candidate for open positions for which they are qualified. All employees, including those involved in surpluses, shall be subject to the terms and conditions of the Company's job posting process per PRO-6477, dated May 28, 2008. Release earlier than 12 months will generally be authorized when the releasing management determines such release to be in the best interest of the company and the employee. If management is unable to release prior to 12 months, exceptions must be elevated to the applicable Functional Skill Team to validate business case and consider potential adverse impact to employee. In cases where resolution is not reached through discussion, appeal to the Enterprise Senior Workforce Manager may be submitted.

Section 8.8 General Provisions.

8.8(a) Compensable Injuries. Any employee who has been wholly or partially incapacitated for that employee's regular work by compensable injury or compensable occupational disease while in the employ of the Company may, while so incapacitated, be employed in work which the employee can do without regard to the provisions of this Agreement. The Union shall be notified of persons to whom this waiver applies and the effective dates of such waiver.

8.8(b) Veterans. The Company and the Union, recognizing that the reemployment rights of employees entering or inducted into the Armed Forces of the United States and the Company's obligation to these employees, are the subject matter of legislation, agree that nothing contained in

this Agreement will preclude the Company from reemploying such employees in compliance with provisions of applicable laws.

8.8(c) Transfer Return Rights. An employee who is transferred by the Company from one of the units described in Article 1 to another, and at the time of such transfer is accorded return rights by the Company in writing, will not be laid off while assigned at such other unit, but will be transferred back to the original unit in accordance with the return rights previously accorded by the Company. An exception will be made if the employee elects to be laid off in which case the employee will waive transfer return rights.

8.8(d) Hiring of Employees on Part-Time Work Schedules. The Company will not hire new employees into the bargaining unit on part-time work schedules and will not normally approve part-time work schedules for employees with less than two (2) years of Company service; provided, however, that the Company may rehire retirees on part-time schedules. Approval of part-time work schedules may be revoked at any time at management's discretion.

8.8.(e) Job Classification and SMC of Record Shall Prevail. Employee reassignments or layoffs under this Article will be based on the employee's job classification and SMC at the time of such action, irrespective of any pending challenge concerning the employee's job classification and SMC. Individual employee or union contentions that a reassignment or layoff is inappropriate because the job classification and SMC prior to layoff or reassignment was inappropriate are specifically excluded from the grievance and arbitration procedure of Article 3. Additionally, the individual employee or union may not claim that the reassignment or layoff should be voided or set aside based on the allegation that the employee's job classification and SMC was inappropriate prior to layoff or reassignment. However, if subsequent to a layoff or reassignment from a job classification and SMC challenged by an employee in accordance with 22.5, the employee's challenge is upheld, then for the purposes of 8.6 the employee's job classification and SMC at the time of the layoff or reassignment shall be construed as that job classification and SMC that was upheld as a result of the employee's challenge. If an employee has requested a review of his or her job classification and SMC pursuant to Section 22.5(e)(1) approximately thirty (30) days prior to notification of layoff or reassignment, then the employee's layoff or reassignment will be held in abeyance, if necessary, pending conclusion of the review under Section 22.5.

ARTICLE 9
NON-BOEING LABOR

Section 9.1 Purpose. The Company and the Union recognize that temporary Non-Boeing Labor personnel are a practical source of skilled labor that allows the Company to acquire engineering and technical support in a timely manner. The use of Non-Boeing Labor helps mitigate adverse effects of rapid expansion and contraction of the workforce, or the limited availability of certain critical skills (e.g. in connection with large developmental programs). The parties recognize that requirements for experienced Non-Boeing Labor personnel must be balanced with the need to develop, build, and maintain the Boeing experience base and to support a mutual objective of workforce stabilization by minimizing employee layoffs.

Section 9.2 Definitions.

9.2(a) Contract Labor. Technical or engineering personnel supplied to Boeing through third party suppliers who are in the business of recruiting and supplying contracted staffing to other companies. Contract personnel typically perform Boeing work on Boeing premises and are supervisedby Boeing managers. Contract Labor personnel are employees of the supplier and remain on the supplier's payroll.

9.2(b) Industry Assist. Individuals or teams of employees from another firm in a business similar to that of Boeing, or industry leaders in their core competency who typically work on Boeing premises and are supervised by Boeing managers. Industry Assist firms are not in the business

of recruiting and supplying contracted staffing to other companies. Industry Assist personnel are employed by the Industry Assist company and remain on the Industry Assist company's payroll.

9.2(c) Purchased Services. Non-Boeing Labor wherein specialized engineering or technical services are obtained from an outside company specifically to be used by or incorporated into a product or service. Generally, purchased services are contracted to complete defined statements of work.

9.2(d) Strategic International Contractors. Non-Boeing Labor typically engaged to meet industrial participation requirements and/or strategic work placement objectives. Examples would include international design centers and work placement in countries where offset agreements exist.

9.2(e) Employees of Sub-Contractors, Suppliers or Partners. Non-Boeing Labor representing other entities who, in order to fulfill a contractual obligation to deliver a product or service to Boeing must perform some work on Boeing premises that may be similar to work being performed by SPEEA-represented employees. Examples would include risk sharing partners on commercial or government programs, and suppliers or sub-contractors with design/build responsibility.

9.2(f) Consultant and Professional Services. Non-Boeing Labor providing services typically not incorporated into the Company's products or service lines and not related to work performed by SPEEA-represented employees.

9.2(g) Loaned-In Boeing Personnel. Boeing employees temporarily loaned from other sites to meet capability and/or capacity requirements.

Section 9.3 Disclosure and Monitoring. The Company and the Union mutually agree that shared information is integral to achieving common understanding and clarity regarding the utilization of Non-Boeing Labor. To promote a common understanding and effective employee engagement, the Company agrees to provide certain information to the Union as follows:

9.3(a) Contract Labor and Industry Assist: The Company shall provide the Union the following data on a monthly basis.

- Name
- BEMSID (if applicable)
- Start date
- Projected end date
- Work location
- Job Classification and SMC and Job Title
- Accounting business unit information
- Total number of Contract Labor and Industry Assist personnel within the Major Organization
- A breakdown within each Major Organization by job family and skills management codes normally held by SPEEA-represented employees performing the same type of work.

9.3(b) Purchased Services and Strategic International Contractors: The Company shall provide theUnion the following data for personnel who are on-site for greater than sixty (60) days on

a quarterly basis subject to the availability of data and as constrained by compliance with privacy laws as determined by the Company.

- Total number of on-site personnel by general skill type and category.

- Summary of statement of work provided including projected duration.

Section 9.4 Application and Limitations.

9.4(a) Contract Labor and Industry Assist.

9.4(a)(1) No employee with an assigned retention rating of R1 or R2 shall be laid off from a surplusing Major Organization as defined in Article 8 while Contract Labor or Industry Assist personnel are still employed in that job family and skills management code within that, or any other, Major Organization. Further, no employee from a surplusing Major Organization, regardless of assigned retention rating, shall be laid off while Contract Labor or Industry Assist personnel are still employed in that job family and skills management code within that Major Organization, except those employees as to whom there is supporting documentation of performance deficiencies.

The acquisition of Contract Labor or Industry Assist personnel will be subject to the terms of 8.6(b) while laid off employees remain on Priority Recall Status.

9.4(a)(2) The Company and the Union agree that it is normally inappropriate to post external job requisitions within a job family and skills management code where a near-term surplus is anticipated, has been declared, or is in progress within a Major Organization. Deviations will be subject to approval by the appropriate Functional Skill Leader for the Major Organization and discussed with the Union. The granting of a deviation to allow posting of such job requisitions shall not be subject to the grievance and arbitration procedure of Article 3.

9.4(a)(3) The Company shall make Contract Labor and Industry Assist positions available in accordance with the Boeing job posting process for assignments exceeding eighteen (18) months. However, if the period of performance must be extended beyond eighteen (18) months, the Company's supporting business rationale will be discussed with the Union at the next Joint Workforce Committee meeting, and the Company will continue to use Contract Labor or Industry Assist personnel in these positions through the duration of their assignments. The extension of such assignments shall not be subject to the grievance and arbitration procedure of Article 3. In the meetings, the Company will also discuss information relevant to staffing efforts to fill these positions with direct labor. Summary information will include recruiting strategies, identification of applicable posted requisition(s), and offer/offer acceptance data for these requisition(s).

9.4(a)(4) Contract Labor and Industry Assist personnel shall not be authorized to make decisions normally associated with management responsibility including salary determination, performance management, retention and discipline.

The Company and the Union also agree that it is normally inappropriate to place Contract Labor or Industry Assist personnel in lead roles (engineering or technical) including the assignment of or evaluation of individual work assignments. Deviations will be subject to approval by the appropriate Functional Skill Leader in the Major Organization and discussed with the Union. The granting of a deviation to allow such assignments shall not be subject to the grievance and arbitration procedure of Article 3.

9.4(b) Purchased Services. In those cases where the skills of the Purchased Services are the same as those currently subject to reduction in force of Boeing direct labor within a Major Organization, the Company will, consistent with its contractual requirements to the Purchased Services firm, consider

reducing or eliminating the services of the firm and discuss the decision and rationale with the Union at the next Joint Workforce Committee meeting.

9.4(c) Strategic International Contractors. In those cases where the skills of Non-Boeing Labor identified in 9.2(d) are the same as those currently subject to reduction in force of Boeing direct labor within a Major Organization, the Joint Company/Union Partnership Leadership Committee will convene, consistent with the provisions of Letter of Understanding 6, to discuss the potential reduction of these services.

Section 9.5 Exceptions to this Article to avoid significant disruption or impact on committed packages of work will require the approval of the Enterprise Senior Workforce Manager. Notification will be provided to the Union as soon as practicable.

ARTICLE 10
JOINT MEETINGS

Section 10.1 Joint Meetings.

10.1(a) Should either party desire to discuss with the other any matter affecting generally the relationship of the parties, a meeting of Union and management representatives shall be arranged upon request of either party. Such meeting shall take place at a time mutually convenient to both parties. Any use of Company time for attendance at such meetings shall be arranged in advance by mutual agreement.

10.1(b) This Article is intended to provide a free avenue of communication between the Union and the Company, and suggestions, complaints, or other matters may be presented by either party, provided that neither party shall be required to discuss any item brought up by the other party nor be bound to act upon any item presented. However, both parties agree to discuss informal grievances and complaints.

ARTICLE 11
RATES OF PAY AND WORK SCHEDULES

Section 11.1 Pay Rates and Cost of Living Adjustments.

11.1(a) The minimum salary will be the Salary Reference Table minimum values as established by the Company, for each Salaried Job Classification identified in Appendix B.

11.1(b) The Company will establish four salary review adjustment funds in accordance with the dates set forth in Table I:

TABLE I

SALARY REVIEW ADJUSTMENT FUND PERIODS AND INCREASE PERCENTAGES

Review Period	Fund Computation Date	Increase Effective Date	Salary Adjustment Fund	Minimum Increase Percentage
1	1/30/09	2/27/09	5.0%	2.5%
2	1/29/10	2/26/10	5.0%	2.5%
3	1/28/11	2/25/11	5.0%	2.5%
4	1/27/12	2/24/12	5.0%	2.5%

11.1(b)(1) Base salaries of eligible employees will be increased from a fund computed by multiplying the Salary Adjustment Fund by the total salaries of eligible employees. All eligible employees will participate in the salary review with minimum increases given as indicated in Table I. All increases will be effective on the Increase Effective Date of the review period. Eligible employees are defined as follows:

- Hired before November 1st of each year; and
- Classified in the bargaining unit on both the Fund Computation Date and the Increase Effective Date.

Employees on leave of absence for less than 180 days as of the Fund Computation Date are included in the Salary Review exercise.

11.1(c) Cost of Living Adjustments.

11.1(c)(1) Employees eligible to participate in the selective adjustment funds under 11.1(b) may also receive Cost of Living Adjustments to the extent such adjustments become effective under and in accordance with all of the terms, conditions and limitations stated in 11.1(c). The terms, definitions, and limitations stated in 11.1(b) and 11.1(c) also apply to such adjustments. Cost of Living Adjustments would be delivered to each eligible employee separately from those selective adjustment funds derived in 11.1(b). Cost of Living Adjustments would be effective on the dates specified in Table I.

11.1(c)(2) Determination of Cost of Living Adjustments shall be made in reference to the series U.S. city average "Consumer Price Index Urban Wage Earners and Clerical Workers" published by the Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982-1984 = 100, such Index being referred to herein as the BLS Index.

11.1(c)(3) Computations will be made using the three-month average of the BLS Index for July, August and September, 2008 (215.5), as the base period.

11.1(c)(4) During the life of this Agreement, Cost of Living Adjustments shall be computed using the three-month average of the BLS Index for the periods specified in Table II and the corresponding BLS Index threshold values expressed as percentage increases over the 2008 base period. The formula will be: percentage of Cost of Living Adjustment equals fifty (50) percent of the percentage increase in the BLS Index, from the 2008 base period to the BLS Index Comparison Quarter, that exceeds the BLS Index Threshold Percentage shown in Table II. In order to preclude recognition, on more than one effective date, of the same percentage increase in the BLS Index, any recognition on one effective date of a percentage increase over the applicable BLS Index Threshold Percentage will cause that percentage to be set aside and disregarded in ensuing computations. [e.g., if the BLS Index for October, November, and December, 2008 represented a 12 percent increase over the base period (yielding a 1.0 percent Cost of Living Adjustment effective 2/27/2009), no Cost of Living Adjustment would result for the 2/26/2010 effective date unless, and to the extent, the BLS Index for October, November, and December, 2009 represented an increase in excess of 22 percent over the base period.] BLS Index three-month averages, BLS Index increase percentages, and salary increase percentages will be rounded to the nearest tenth, with five hundredths rounded upward to the nearest tenth.

TABLE II

Effective Date of Adjustment	BLS Index Comparison Quarter	BLS Index Threshold Percentage
2/27/2009	Oct, Nov, Dec 2008	10%
2/26/2010	Oct, Nov, Dec 2009	20%
2/25/2011	Oct, Nov, Dec 2010	30%
2/24/2012	Oct, Nov, Dec 2011	40%

11.1(c)(5) In connection with each of the effective dates in Table II, the computations set forth in 11.1(c)(4) will be made.

11.1(d) For payroll computation purposes, hourly rates of pay will be computed on the basis of 2080 compensable hours each calendar year.

Section 11.2 Overtime.

11.2(a) The Company will attempt to meet its overtime requirements on a voluntary basis among the employees. In the event there are insufficient volunteers to meet the requirements, management may designate and require the necessary number of employees to work the overtime.

11.2(b) Category 1 Schedules. For time worked in excess of 40 compensated hours in a work week, other than the 2nd day of rest, an employee shall be paid one and one-half times his or her base rate. All time worked on the second day of rest will be paid at double his or her base rate after 40 compensated hours in that work week. All overtime worked in excess of 12 hours in a workweek will be paid at double his or her base rate.

11.2(c) Category 2 Schedules. For time worked in excess of scheduled and compensated hours in a work week, other than the 2nd day of rest, an employee shall be paid one and one-half times his or her base rate. All hours worked on the second day of rest will be paid at double his or her base rate after scheduled and compensated hours in a workweek. All overtime worked in excess of 12 hours in a workweek will be paid at double his or her base rate.

Section 11.3 Temporary Military Leave. An employee who is a member of a reserve component of the Armed Forces, who is absent due to required active annual training duty or temporary special services duty, active duty, annual active duty, or temporary special duty shall be paid his or her normal straight time earnings, including shift differential where applicable, up to a maximum of 80 hours each military service fiscal year. The amount due the employee under this 11.3 shall be reduced by the amount received from the government body identified with such active or temporary special duty, for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, uniform, and travel allowance shall not be included in determining pay received from the state or federal government. An employee who elects to work or use available Company paid holidays during the 90 calendar days of military leave, vacation credits, or sick leave credits while on temporary active duty shall not be eligible for military pay differential for that period.

Members of a reserve component of a uniformed service ordered to annual active duty are eligible for military differential pay up to a maximum of 80 hours each military fiscal year (October 1 – September 30) or longer if required by applicable laws.

Members of a reserve component of a uniformed service ordered to temporary special duty under Military U.S. Code Title 10 or mobilized by the applicable state agency are eligible for military differential pay up to a maximum of 90 calendar days for each occurrence. Extension of military differential pay beyond 90 days may be approved on a case-by-case basis for each call-up. This approval will be based on the call-up and not on an individual employee basis. Military differential pay will end upon the employee's release from active duty.

Employees will retain all compensation received from the uniformed services. If this compensation is less than their regular Company pay (base rate plus applicable additives), the Company will provide pay equal to the difference between the employee's base rate (plus applicable additives) and the compensation received form the uniformed services. This pay will be provided upon receipt of the employee's leave and earnings statement. Subsistence (does not include quarters), uniform, and travel allowances will not be included in determining military pay.

Section 11.4 Jury Duty and Witness Service. Time off with pay will be granted for absence necessary for an employee to perform jury duty or witness service. The employee will retain all fees received. Time off with pay, unless required by applicable law, will not be granted if the employee:

1. Is subpoenaed as a witness against the Company or its interests.

2. Is subpoenaed as a witness as a direct party in the action.

3. Voluntarily seeks to testify as a witness.

4. Is subpoenaed as a witness in a case arising from or related to the employee's outside employment or outside business activities.

Section 11.5 Work Schedules and Shifts.

11.5(a) Each employee working full time shall be assigned one of the following work schedules:

(1) Category 1 Weekday Schedule: 40 hours in a workweek with regular workdays during the Monday through Friday period.

(2) Category 1 Weekend Schedule: 40 hours in a workweek with Saturday and/or Sunday as a regular workday.

(3) Category 2 Weekday Schedule: Less than 40 hours in a workweek with regular workdays during the Monday through Friday period.

(4) Category 2 Weekend Schedule: Less than 40 hours in a workweek with Saturday and/or Sunday as a regular workday.

Schedule Hours	**Category One** Schedules of 40 hours in a workweek		**Category Two** Schedule with fewer than 40 hours in a workweek	
Schedule Type	**Weekday**	**Weekend**	**Weekday**	**Weekend**
Shift	**Incentives**			
First	None	Weekend Rate	Schedule Factor	Weekend Rate Schedule Factor
Second	Shift Rate	Shift Rate Weekend Rate	Shift Rate Schedule Factor	Shift Rate Weekend Rate Schedule Factor

Schedule Hours	**Category One** Schedules of 40 hours in a workweek		**Category Two** Schedule with fewer than 40 hours in a workweek	
Schedule Type	**Weekday**	**Weekend**	**Weekday**	**Weekend**
Shift	**Incentives**			
Third	Shift Rate Shift Percentage	Shift Percentage Shift Rate Weekend Rate	Shift Rate Schedule Factor	Shift Rate Weekend Rate Schedule Factor

INCENTIVES DEFINITIONS

Shift Percentage Maintains "equity" with 3rd shift 6.5 hour schedule	**Shift Rate** Working other than 1st shift	**Weekend Rate** Working on a Saturday/Sunday as a regular day	**Schedule Factor** Works less than 40 hours, paid for 40
23%	$1.00 per hour	Sat. or Sun. $2.00 Sat. & Sun. $3.00	Pay period hours/ Scheduled hours

11.5(b) Employees may, at their request and with management's approval, work any of the above schedules. Management will staff Weekend Schedules with volunteers.

11.5(c) Employees may, at their request and with management's approval, make a temporary modification of their work schedule through movement of hours from one day to another within a 40-hour workweek. Employees whose fourteen-day work schedule provides an alternating weekday off through a pattern of fixed nine-hour days followed by an eight-hour day (commonly referred to as a "9/80" work schedule) may not redistribute their hours.

11.5(d) The Company will attempt to establish work schedules with at least two (2) days designated as days of rest.

11.5(e) Lunch Periods. Each employee shall be assigned to a definite shift with designated beginning and ending times. All work schedules provide a fixed unpaid meal period to start not more than five (5) hours after start time, consisting of a forty-minute lunch period, ten (10) minutes of which shall be paid time and thirty minutes of which shall be unpaid. Employees working in excess of an eleven-hour shift are entitled to a second unpaid meal period, to start not more than eight (8) hours after start time, consisting of a minimum of thirty minutes. Meal periods will be paid if the employee is not fully relieved of his or her duties.

11.5(f) Shifts. The Company may assign an individual employee or groups of employees to any shift to meet operational requirements. The following shift identification will apply:

(1) First shift: Begins at any time from 4:00 a.m. to 11:59 a.m.

(2) Second shift: Begins at any time from 12:00 noon to 7:59 p.m.

(3) Third shift: Begins at any time from 8:00 p.m. to 3:59 a.m.

11.5(g) Report Time. A full-time employee who, in accordance with instructions, reports for work on his or her assigned shift will be paid at base salary and any applicable shift bonus for no less than the scheduled hours for that shift. If the employee works his or her assigned shift or portion thereof and also reports, in accordance with instructions, for one or more additional separate work periods on the same day, he or she will receive a minimum of four (4) hours pay at base salary for each such work period. If a full-time employee, in accordance with instructions, reports for one work period on a scheduled day of rest or on a holiday, he or she will receive a minimum of eight (8) hours pay at base salary for that work period. If the employee, in accordance with instructions, reports for one or more additional separate work periods on the day of rest or holiday, he or she will receive a minimum of four (4) hours pay at base salary for each such work period. These minimum report time requirements will not apply in case of emergency shutdown arising out of any condition beyond the Company's control. Employees who leave work of their own volition or because of incapacity (other than industrial injury or illness), or are discharged or suspended after beginning work, will be paid only for the number of hours actually worked during that day.

11.5(h) Company Travel. Travel time includes the time required by the public carrier that the traveler must check-in prior to actual departure. Travel time is normally paid up to the maximum number of hours in a regular work shift for each day of travel. If the employee starts work immediately upon completion of travel, all such hours are additive and will be compensated at the appropriate rate. Reference PRO-5495 for additional guidance.

Section 11.6 Incentives.

11.6(a) An employee assigned to the second or third shift shall receive a shift rate incentive of $1.00 per hour which shall be added to his or her base salary and made a part thereof.

11.6(b) An employee assigned to either Saturday or Sunday as a regular day of work shall receive $2.00 per hour added to his or her base salary and made a part thereof while so assigned. An employee assigned to both Saturday and Sunday as regular days of work shall receive $3.00 per hour added to his or her base salary and made a part thereof.

11.6(c) Employees assigned to a Category 2 Schedule shall receive a schedule factor incentive equivalent to the difference between the hours scheduled and forty hours in a workweek.

11.6(d) Employees assigned to a Category 1 schedule and identified to receive the "shift percentage" shall receive twenty-three percent (23%) of their base rate, which shall be added to their base salary and made a part thereof.

Section 11.7 Promotions and Salary Adjustments.

For each review period below, the Company will spend at least one half of one percent (0.5%) of the total unit salaries as of the computation date of the review period on either adjustments in salary accompanied by a change in classification (promotion); or adjustments in salary outside of the annual salary review (Out of Sequence Selective Adjustment) or any combination of the two. In the event less than 0.5% is spent during the review period, the delta between the actual expenditure and 0.5% will be added to the next salary adjustment fund. The minimum promotion increase will be $2,500.

There will be no selective adjustments or in-line promotions outside the competitive job selection process during the period scheduled by the Company for salary review (typically January 1 through mid-April).

Review Period	Start Date	Computation Date	End Date
One	December 2, 2008	January 30, 2009	December 31, 2009
Two	January 1, 2010	January 29, 2010	December 31, 2010
Three	January 1, 2011	January 28, 2011	December 31, 2011
Four	January 1, 2012	January 27, 2012	October 6, 2012

Section 11.8 Part-Time Employees. Any employee whose work schedule consists of a seven-day cycle with fixed days and hours of work that are less than 40 hours over a regular workweek, or a fourteen-day cycle with fixed days and hours of work that are less than 80 hours over two (2) regular workweeks, and is not on a Category 2 Schedule, shall be considered as a part-time employee and shall be subject to all provisions of this Agreement except as otherwise provided in (1) through (5) below.

(1) Shifts and lunch periods for part-time employees will be assigned in accordance with Company procedures and will not be subject to 11.5(e), 11.5(f), and 11.5(g). Meal periods will be paid if the employee is not fully relieved of his or her duties.

(2) Work Schedule Incentives. Employees assigned to second or third shift may receive a shift rate and a schedule factor incentive. Employees are not eligible to receive the weekend rate incentive.

(3) Holidays. Employees are eligible for holiday pay if they are scheduled to work 20 or more hours in a seven-day cycle or 40 or more hours in a fourteen-day cycle. Payment will be four (4) hours of holiday pay for each company holiday, regardless of the calendar day or hours scheduled on the respective holiday.

(4) Overtime. The provisions of 11.2 do not apply to part-time employees. Employees will be paid overtime for hours in excess of 40 compensated hours in a workweek. All overtime, except on holidays, will be paid at time and one-half. Hours worked on a holiday will be paid at double time.

(5) Jury Duty and Witness Service. Employees are eligible for jury duty and witness service if they are scheduled to work 20 or more hours in a seven-day cycle or 40 or more hours in a fourteen-day cycle. Payment will be four (4) hours for each day served, regardless of calendar day or hour scheduled.

Section 11.9 Direct Deposit.

11.9(a) In states where mandatory direct deposit is permitted by law, paychecks will be delivered via direct deposit by Thursday of every second week.

11.9(b) For employees working in other states, paychecks shall be delivered via direct deposit on or before Thursday of every second week, or placed in the U.S. mail on or before Tuesday of every second week.

ARTICLE 12
UNION OFFICIALS

Section 12.1 Accredited Representatives.

12.1(a) The Union shall inform the Company in writing of the names and positions of its officials and, currently, any changes thereto. Only persons so designated to the Company will be accredited as representatives of the Union. Accreditation shall be effective on the third day following the Company's receipt of the notification.

12.1(b) Solicitation of Union membership, collection or checking of dues, or reading of Union newsletters or publications will not be permitted during working time. Distribution of Union newsletters or publications will not be made during working time or in work areas. The Company agrees not to discriminate in any way against any employee for legitimate Union activity, but such activity shall not be carried on during working time except as specifically provided for in this Agreement.

12.1(c) Each employee, before leaving his or her assigned work on Union business, shall have authorization therefore from the Union and shall notify his or her supervisor prior to taking such leave. The Union shall provide to the designated Company Representative oral confirmation of such authorization at least one day prior to such leave and written confirmation immediately thereafter. Such unworked time, limited to regular working hours, shall be charged to a special charge account number and the Union agrees to reimburse the Company at the employee's regular hourly rate for all such time so spent.

12.1(d) Grievance and Contract Administration.

12.1(d)(1) The Union shall investigate and adjust grievances and perform contract administration, in the work area, exclusively through Council Representatives (who shall be employees), Executive Board Members and Union Staff Representatives.

12.1(d)(2) Each Executive Board Member and Council Representative shall notify and obtain permission from his or her supervisor before leaving the work assignment for the purpose of investigating complaints or claims of grievance on the part of employees in his or her work area.

Such permission shall be granted except where the supervisor considers such absence would seriously interfere with the performance of the group of which the representative is a part. Time spent on such approved investigations and discussions shall be considered work time provided such activity does not extend beyond the time that the supervisor considers reasonable under the circumstances. Any Executive Board Member and Council Representative in the conduct of his or her investigation, and before contacting an employee, shall obtain permission of the supervisor of such employee and advise the supervisor of the nature of the complaint or grievance and the estimated time required for the discussion. Such permission shall be granted except where the visit would seriously interfere with the work of the group. Except as provided in 12.1(e) and 10.1(a), all time spent performing such Union business as well as time spent in joint committee and partnership activities shall be handled in accordance with the Company's overhead charging process and shall not be docked from the employee's pay.

12.1(d)(3) Access by Union Staff Representatives and non-Employee Executive Board members shall be governed by 12.2 below.

12.1(e) Leave of absence of at least 30 days without pay shall be granted for the following reasons:

12.1(e)(1) Full-time employment by the Union or its national organization;

12.1(e)(2) Union business authorized by the Executive Board and approved in writing by the designated Company Representative, which approval shall not be withheld absent legitimate business circumstances.

The Company will reinstate employees on such leaves at not less than his or her former level and salary plus any general salary increases which occurred during the period of the leave of absence.

12.1(f) The parties agree that as a general rule, union officials should not be negatively impacted with regard to: retention, selective salary, and performance evaluation exercises for their time spent in the execution of union-related activities.

The Company and the Union recognize that the elected Union representative has a defined work assignment that may include a reasonable amount of Union Business. If the Company determines that the performance of union-related activities begins to negatively impact the overall work statement, the Company and the Union agree to work together to adjust the union official's work statement or union activities, or both.

The resulting actions from 12.1(f) will be exempt from Article 3.

12.1(g) Executive Board and Council.

12.1(g)(1) The Union may designate one Council Representative for each 200 employees, or major fraction thereof, in each Major Organization in the bargaining unit, plus one Council Representative for each mutually agreed outplant location with fewer than 100 employees. In unique circumstances where maintaining such a ratio creates a hardship to the Union, the Company will give due consideration to a written request from the Union for a waiver of the ratio requirement.

12.1(g)(2) The parties will review annually, prior to Council elections, the number of Council Representatives allowed under 12.1(g)(1). The number agreed upon as contractually allowable during these reviews may not be reduced prior to the next such review except by mutual agreement of the parties. Any increases to the number of Representatives must be in accordance with 12.1(g)(1) and is also subject to mutual agreement of the parties.

12.1(g)(3) No more than seven Executive Board members shall at any time be accepted by the Company as accredited representatives of the Union.

12.1(g)(4) In the absence of a Council Representative for any reason, the Union may designate a temporary substitute.

12.1(h) Protection of Union Officials.

12.1(h)(1) Executive Board members and Council Representatives shall not be laid off during their respective terms of office except as described herein.

12.1(h)(1)a Council Representatives will be given a retention rating while serving during their term of office that will be adjusted to indicate that the employee has the highest retention rating in the applicable job family, skills management code. So rated, the Representatives will be subject to all terms and conditions of Article 8 of the parties' Agreements. Once the Representatives are no longer in office, the retention rating will be readjusted to the otherwise applicable rating.

12.1(h)(1)b If Council Representatives are relocated, due to transfer or otherwise, out of the district in which they were elected, the Representatives will continue to be protected from layoff for the balance of their term of office so long as they remain recognized members of the Council. Each designated Council position can be filled by only one member.

12.1(h)(1)c Layoff protection does not apply to Council Representatives who, at the time of election or appointment, have received an active advance notice of potential layoff, unless the Representative is running for reelection to a consecutive term of office.

12.1(h)(1)d Nothing herein precludes a Council Representative from requesting a voluntary or accelerated layoff.

12.1(h)(2) In the event management deems it necessary to involuntarily transfer or loan a Council Representative, and other employees then represented by the Council Representative would remain in the same job family and skills management code, when practicable the Company will inform the Union of the proposed transfer or loan thirty days prior to its effective date and will discuss with the Union the feasibility of transferring or loaning another employee.

Section 12.2 Union Staff Representatives and Non-Employee Executive Board Members – Access to Plants. Union Staff Representatives and Executive Board Members not employed by the Company (hereinafter "Representatives") will be permitted access during working hours to areas in the Company's facilities where employees in the bargaining units defined in Article 1 are assigned, to the extent government and customer regulations permit. Such access shall be only for the purpose of investigating complaints or claims of grievance on the part of employees or the Union and shall be subject to the following:

12.2(a) The Company shall be required to admit only those Representatives who have been agreed to in writing or as may be agreed to by the Company throughout the remainder of the Agreement. Except for visits to the Corporate Employee Relations Offices, Representatives shall notify the designated Human Resources organization of their contemplated visits.

12.2(b) Representatives who are entitled to admittance to the Company's facilities shall sign in where required through the Company designated organization at the plant or facility they desire to enter. Upon being admitted, they shall proceed to the organization they wish to visit, contact the supervisor then present, inform him or her of the purpose of their visit and obtain his or her permission prior to contacting any employee in such organization. Such permission will be granted except where there is a substantial reason for delaying the contact due to safety conditions or the fact that a critical operation is in process. Upon leaving the plant or facility they shall sign out where required and return any temporary identification badges which were issued for the purpose of the specific visit.

12.2(c) The Company shall supply identification badges so that each Representative can have access during working hours to the areas in which Bargaining Unit employees are assigned. Representatives

may retain their badges affording such access during the period they are assigned such duties by the Union, subject to 12.2(a), 12.2(b), and 12.2(d) of this Agreement.

12.2(d) Representatives who fail to comply with provisions of 12.2 shall forfeit their admittance rights.

Section 12.3 Union Staff Representative, Executive Board Member or Council Representative Security Interviews. Each employee has the right, during a Security interview which the employee reasonably believes may result in discipline, to request the presence of his or her Union Staff Representative, Executive Board Member or Council Representative, if the Union Staff Representative, Executive Board Member or Council Representative is available. If his or her Union Staff Representative, Executive Board Member or Council Representative is not available, such employee may request the presence of another immediately available Union Staff Representative, Executive Board Member or Council Representative. If a Union Staff Representative, Executive Board Member or Council Representative, pursuant to the employee's request, is present during such an interview, the Union Staff Representative, Executive Board Member or Council Representative, in addition to acting as an observer, may, after the Security representative has completed his or her questioning of the employee, ask additional questions of the employee in an effort to provide information which is as complete and accurate as possible. The Union Staff Representative, Executive Board Member or Council Representative shall not obstruct or interfere with the interview.

ARTICLE 13
UNION SECURITY

Section 13.1 Union Membership. Subject to 13.2 below, and unless otherwise prohibited by applicable state law, all employees within the bargaining units defined in 1.1 shall pay dues or an agency fee to the Union within 31 days following the beginning of such employment, or within 31 days following the execution of this Agreement, whichever is later, and shall thereafter maintain their dues or agency fee paying status in good standing during the life of this Agreement, as a condition of continued employment.

Section 13.2 Satisfaction of Obligation. Employees who, under 13.1, are required to pay dues or an agency fee to the Union may satisfy that obligation by periodically, but not less than quarterly, tendering to the Union an amount equal to the Union's regular and usual monthly dues.

Employees who demonstrate sincere religious objection to the payment of such dues or an agency fee may satisfy their obligations under 13.1 by paying sums equal to the Union's regular and monthly dues to a tax-exempt nonreligious, nonlabor charitable organization.

Section 13.3 Failure to Satisfy Obligations. In the event an employee who, as a condition of continued employment, is required under this Article to pay dues or an agency fee to the Union but fails to do so, the Union will notify the Company in writing through the Company Offices Union Relations Office, or through such other office as may be designated by the Company, of such employee's delinquency. The Company agrees to advise such employee that his/her employment status with the Company is in jeopardy and that his/her failure to meet this obligation under this Article within five days will result in the termination of his/her employment.

Section 13.4 State Laws. In regard to employees within those collective bargaining units covered by this Agreement that are in states where application of a union security provision such as that stated in 13.1 is not legally permitted as of the effective date of this Agreement: In the event the application of such provision was to become permissible in such state during the effective period of this Agreement, such provision then would become applicable to the affected collective bargaining unit in that state, and the date that such provision became permissible would be used instead of the effective date of this Agreement.

Section 13.5 Payroll Deduction for Union Dues. The Company shall make payroll deductions for the Union's regular and usual monthly dues or agency fee, upon receipt by the office designated by

the Company of a voluntary written assignment from the employee covering such deductions on a form mutually agreed to by the Union and the Company. The list of such deductions will be itemized to include each such employee's permanent employee number, name, and amount of deduction, and such itemization will be forwarded to the Union. The regular and usual monthly dues shall either be in amounts that are specified on such assignments, or pursuant to a written formula, submitted by the Union to the Company which, in either case, the Company has approved in writing in advance as being administratively practicable. The Company agrees to make monthly payroll deductions for Union dues for those employees on travel assignment scheduled to be 90 days or less who have a valid authorization card on file, regardless of the employee's payroll classification while on such assignment.

Section 13.6 Carry-over of Authorizations between Bargaining Units. The Company will carry over dues authorizations of employees among and between the bargaining units represented by the Union, i.e., where a valid authorization card is on file with the Company for an employee within a Union bargaining unit and the employee thereafter is transferred directly to one of the other Union bargaining units and the employee has not in the meantime canceled the authorization. The Company will also resume dues deductions on behalf of employees who leave the bargaining unit and return within a 180-day period and have a valid dues deduction authorization on file.

Section 13.7 Indemnity and Waiver of Claims. The Union will indemnify and hold the Company harmless from and against any and all claims, demands, charges, complaints or suits instituted against the Company which are based on or arise out of any action taken by the Company in accordance with or arising out of the foregoing provisions of this Article 13. Both the Company and the Union will utilize due diligence in administering and reviewing, respectively, the dues deduction system. In the event the Union discovers administrative errors in the Company's administration of the system, the Union will give the Company prompt and timely notice of same, whereupon the Company will endeavor to make reasonable administrative corrections consistent with applicable state and federal law. Respecting Company administration of the system, the Union expressly waives as against the Company any and all claims, demands, suits, or other forms of liability that may arise out of or by reason of good faith action taken or not taken by the Company for purposes of complying with this Article.

ARTICLE 14
STRIKES AND LOCKOUTS

Section 14.1 Strikes and Lockouts. The Union agrees that during the term of this Agreement, and regardless of whether an unfair labor practice is alleged, (a) there shall be no strike, sit-down or walk-out and (b) the Union shall not directly or indirectly authorize, encourage or approve any refusal on the part of employees to proceed to the location of normal work assignment where no rare or unusual physical hazard is involved in proceeding to such location. Any employee who violates this clause shall be subject to discipline. The Company agrees that during the term of this Agreement there shall be no lockout of employees covered by this Agreement. Any claim by the Company that the Union has violated this Article or any claim by the Union that the Company has violated this Article shall not be subject to the grievance procedure or arbitration provisions of this Agreement and the Company or the Union shall have the right to submit such claim to the courts.

ARTICLE 15
VOLUNTARY INVESTMENT PLAN

Section 15.1 Continuation of Plan. Subject to the continuing approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities, as more particularly hereinafter specified, and to the provisions of 15.5, a Voluntary Investment Plan (hereinafter call the Plan) in the form as now in effect as to the employees within the units to which this Agreement relates shall continue to be effective while this Agreement is in effect as to such employees in accordance with and subject to the terms, conditions and limitations of the Plan.

Section 15.2 Approval of Plan. Approval of the Plan by the Commissioner of Internal Revenue as referred to in 15.1 means a continuing approval sufficient to establish that the Plan and related trust or trusts are at all times qualified and exempt from income tax under Section 401(a), Section 401(k) and other applicable provisions of the Internal Revenue Code of 1986, and that contributions made by the Company under the Plan are deductible for income tax purposes in accordance with law. The cognizant governmental authorities referred to in 15.1 include, without limitation, the Department of Labor and the Securities and Exchange Commission, and their approval means their confirmation with respect to any matter within their regulatory authority that the Plan does not conflict with applicable law.

Section 15.3 Continuation Beyond Agreement. The Company shall not be precluded from continuing the Plan in effect as to employees within the units to which this Agreement relates after expiration or termination of this Agreement, subject to the terms, conditions, and limitations of the Plan.

Section 15.4 Plan Updates. The parties agree that innovations in technology and administrative practices can give savings plan participants better access to information about their benefits, increased investment options, timely on-line transaction capability and enhanced administrative features. Accordingly, when the company identifies administrative services that in its estimation reflect industry best practices, the Employee Benefit Plans Committee has discretion to adopt these changes to the Savings Plan. The Company will notify the Union in advance of implementation of any changes adopted by the Employee Benefit Plans Committee.

Section 15.5 Company Matching Contributions and Employee Elective Contributions. The Company matching contribution shall be equal to 75% of the first 8% of the employee base pay contribution for employees.

Section 15.6 Changes to the Current Plan. Subject to action by the Company's Board of Directors (or its delegate) and to the approvals specified in 15.2, all provisions of the Plan applicable to employees covered by this Agreement are to remain unchanged with the exception of the following amendments, effective January 1, 2009.

15.6(a) Employees may contribute up to 25% of base pay on a pre-tax basis, an after tax basis, or a combination of both, in 1% increments.

Section 15.7 Required Plan Amendments. The Company reserves the right to amend the Plan to satisfy all requirements and laws applicable to the Plan, including but not limited to Section 401(a), Section 401(k) or any other applicable provision of the Internal Revenue Code of 1986, as amended, or to satisfy fiduciary duties under the Employee Retirement Income Security Act of 1974, as determined by the Company, or to satisfy federal and state securities laws.

Section 15.8 Participant Elective Contributions Not Applicable for Other Purposes. It is acknowledged that the election of a Member to convert a portion of his or her base pay under the terms of the Plan will be effective for purposes of this Plan and will reduce the Member's compensation insofar as certain payroll taxes may be applicable. However, for all other employment related purposes, including all of the Member's rights and privileges under this labor agreement, his or her base pay or compensation will be considered as though no election had been made.

ARTICLE 16
GROUP BENEFITS

Section 16.1 Type of Group Benefits Package for Employees on the Active Payroll. The Company will continue until June 30, 2009, the Group Benefits Package agreed to in the collective bargaining agreement of December 2, 2005, between the Company and the Union. Thereafter, the Company will provide the Life Insurance benefits, Accidental Death and Dismemberment benefits, Short Term Disability benefits, Medical benefits, and Dental benefits for eligible employees and Medical benefits and Dental benefits for covered dependents of eligible employees as summarized in the document entitled Attachment A, effective

July 1, 2009, or as otherwise stated, as the Group Benefits Package. The Company will provide access to the following plans on an optional basis: Supplemental AD&D Plan, Long Term Disability Plan, and Health Care and Dependent Care Spending Account Plans.

Section 16.2 Cost of the Group Benefits Package for Employees on the Active Payroll.

16.2(a) Life, Accidental Death and Dismemberment, and Short Term Disability Benefits. The Company will pay the full cost of the Life Insurance, Accidental Death and Dismemberment, and Short Term Disability Plans for eligible employees.

16.2(b) Medical Benefits.

16.2(b)(1) The Company and the Union are committed to controlling health care costs through joint efforts under the Joint Benefits Discussion Group. In support of these efforts, the Company will continue to share the cost of medical coverage with employees.

16.2(b)(2) Effective July 1, 2009, in regions where employees may choose between coordinated care, exclusive provider organization/health maintenance organization plans or the Traditional Medical Plan, the Company will pay the full cost of a Company designated plan in the applicable region for eligible employees and dependents. For those employees and dependents whose coverage is with another plan, employees will contribute on a pretax basis 12% of the cost of the plan the employee chooses.

16.2(b)(3) In regions where neither coordinated care nor exclusive provider organization/health maintenance organization plans are available, the Company will pay the full cost of the Traditional Medical Plan for eligible employees and dependents.

16.2(b)(4) Effective January 1, 2010, the Company will pay the full cost of the PPO+Account for eligible employees and dependents.

16.2(b)(5) The employee is required to contribute an additional $100 each month for medical coverage under the Group Benefits Package to enroll a spouse or same-gender domestic partner if the spouse or same-gender domestic partner is eligible for medical coverage under another employer-sponsored plan and waives such coverage. This $100 contribution will not be required for a spouse or same-gender domestic partner who waived coverage under another employer-sponsored plan prior to eligibility for medical coverage under the Group Benefits Package, provided the spouse or same-gender domestic partner enrolls at the other plan's next enrollment period or, if earlier, at an enrollment date allowed by the other plan.

16.2(c) Dental Benefits. The Company will pay the full cost of the Preferred Dental Plan, the Scheduled Dental Plan or Prepaid Dental Plan.

Section 16.3 Type of Retiree Medical Plan.

16.3(a) The Company will continue until June 30, 2009, the Retiree Medical Plan agreed to in the collective bargaining agreement of December 2, 2005, between the Company and the Union. For employees who are hired prior to January 1, 2007 and covered on or after January 1, 2007, the Company will provide for the duration of this Agreement the medical benefits for eligible retired employees and for covered dependents of eligible retired employees as summarized in the document entitled Attachment B, effective July 1, 2009, or on such later date when specifically stated therein and subject to all of the terms and conditions contained in or referred to in such Attachment B. The Company will also provide employees hired prior to January 1, 2007, access to the Medicare Supplement Plan.

Section 16.4 Cost of the Retiree Medical Plan. The Company will share the cost of medical coverage for current and future eligible retired employees, as follows:

16.4(a) Effective July 1, 2003, Company and retired employee contributions will be as follows:

For any coordinated care plan, exclusive provider organization/health maintenance organization plan coverage or the TRICARE Supplement Plan, retired employees will contribute $10 for a retired employee only, $20 for a retired employee and spouse or same-gender domestic partner, $20 for a retired employee and child(ren), or $30 for a retired employee and family. For Traditional Medical Plan coverage, retired employees will contribute $20 for a retired employee only, $40 for a retired employee and spouse or same-gender domestic partner, $40 for a retired employee and child(ren), or $60 for a retired employee and family. The Company will pay the cost of each plan in excess of the amount contributed by retired employees.

16.4(b) For employees who are hired from January 1, 1993 through December 30, 2006, the Company contributions are limited to three and one-third percent of the cost of the coordinated care plan, exclusive provider organization and/health maintenance organization plan, Traditional Medical Plan, or TRICARE Supplement Plan the retired employee chooses per year of service for the duration of the Agreement. Those retired employees pay the difference (the cost of the plan minus the Company contributions). However, they must make contributions not less than the amount specified in 16.4(a).

16.4(c) The retired employee is required to contribute an additional $100 each month to enroll a spouse or same-gender domestic partner in the Retiree Medical Plan if the spouse or same-gender domestic partner is eligible for medical coverage under another employer-sponsored plan as an active employee and waives such coverage.

16.4(d) Company contributions will be made only for an eligible retired employee who retires during the term of this Agreement, provided the employee meets the eligibility requirements of the Retiree Medical Plan and is retired from or is deferring receipt of benefit payments from The Boeing Company Employee Retirement Plan, and either authorizes deduction of the balance of plan rates, if any, from his or her retirement check or agrees to make timely self-payments for such coverage. Such Company contribution will continue for an eligible retired employee or eligible spouse or same-gender domestic partner reduced by retired employee contributions required under 16.4(a) and 16.4(b) and the spouse or same-gender domestic partner contribution in 16.4(c), if any, until such eligible person attains 65 years of age or is earlier eligible for Medicare or until this Agreement expires, if earlier, and for a dependent child, until such dependent child is no longer an eligible dependent or earlier qualifies for Medicare, or until this Agreement expires, if earlier.

Section 16.5 Details and Method of Coverage. The benefits summarized in the Group Benefits Package and the Retiree Medical Plan shall be procured by the Company under contracts and/or administrative agreements with insurance companies, health care contractors, or administrative agents which will be in the form customarily written by such carriers and administrative agents, and the Group Benefits Package and Retiree Medical Plan shall be subject to the terms and conditions of such contracts and/or administrative agreements, consistent with the summary in the Group Benefits Package or Retiree Medical Plan. Such contracts and/or administrative agreements will require the administrative agents to develop various programs and procedures designed to contain costs based on those portions of the Group Benefits Package and the Retiree Medical Plan which contain the requirement that charges are covered only on the basis of medical necessity. Such cost containment programs or procedures may be utilized to determine the medical necessity of the treatment itself, the appropriateness of the services provided, and the place of treatment or the duration of treatment. The administrative agents and the Company will announce each such program or procedure before it is required or available to the affected employees or retirees. Any such cost containment program or procedure will not operate to reduce or deny the benefit properly due or to shift the costs covered under the Plans to any eligible active employee or employee who retires during the term of this Agreement, or to his or her dependants.

The failure of an insurance company, health care contractor, or administrative agent to provide any of the benefits for which it has contracted shall result in no liability to the Company, nor shall such failure be

considered a breach by the Company of the obligations that it has undertaken by this Agreement. However, in the event of any such failure, the Company shall immediately evaluate the need to replace the services of such insurance company, health care contractor, or administrative agent.

Section 16.6 Administration. The Group Benefits Package and the Retiree Medical Plan shall be administered by the insurance companies, health care contractors, or administrative agents with whom the Company enters into contractual relationships for the purpose of providing and/or administering the coverage contemplated by the Group Benefits Package or the Retiree Medical Plan and no question or issue arising under the administration of such Group Benefits Package or the Retiree Medical Plan or the contracts and/or administrative agreements identified therewith shall be subject to the grievance and arbitration procedures of Article 3 of this Agreement.

Section 16.7 Copies of Policies to Be Furnished to Union. Copies of the policies, contracts, and administrative agreements executed pursuant to this Article 16 shall be furnished to the Union and the coverages and benefits indicated in the Group Benefits Package or the Retiree Medical Plan, the rights of eligible employees in respect of such coverages, and the settlement of all claims arising out of such coverages shall be in accordance with the provisions, terms, and rules set forth in such contracts.

Section 16.8 Federal or State Packages. If during the term of this Agreement there is mandated by federal or state government a program that affords to employees and/or retirees covered by this Agreement similar benefits (such as but not limited to medical benefits and dental benefits) to those that are afforded by this Agreement, benefits afforded by this Agreement will be replaced by such federal or state program. The Company will comply with the provisions for the furnishing of such program to the extent required by law. No question or issue regarding the level of benefits under the state or federal program will be subject to the grievance and arbitration procedures of Article 3 of this Agreement.

ARTICLE 17
RETIREMENT PLAN

Section 17.1 Continuation of Plan. Subject to the continuing approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities, as more particularly hereinafter specified, and to the provisions of 17.5, a Retirement Plan (hereinafter called the Plan) in the form now in effect as to the employees within the units to which this Agreement relates shall continue to be effective while this Agreement is in effect as to such employees in accordance with and subject to the terms, conditions, and limitations of the Plan.

Section 17.2 Approval of Plan. Approval of the Plan by the Commissioner of Internal Revenue as referred to in 17.1 means a continuing approval sufficient to establish that the Plan and related trust(s) are at all times qualified and exempt from income tax under Section 401(a) and other applicable provisions of the Internal Revenue Code of 1986, and that contributions made by the Company under the Plan are deductible for income tax purposes in accordance with law. The cognizant governmental authorities referred to in 17.1 include, without limitation, the Department of Labor, the Pension Benefit Guaranty Corporation and the Securities and Exchange Commission, and their approval means their confirmation with respect to any matter within their regulatory authority that the Plan does not conflict with applicable law.

Section 17.3 Continuation Beyond Agreement. The Company shall not be precluded from continuing the Plan in effect as to employees within the units to which this Agreement relates after expiration or termination of this Agreement, subject to the terms, conditions, and limitations of the Plan.

Section 17.4 Grievances as to the Plan. Only questions concerning the amount of Credited Service under the Plan that an employee has accumulated by reason of employment after the effective date of the Plan shall be subject to the grievance and arbitration procedure of Article 3.

Section 17.5 Changes to the Current Plan. Subject to action by the Company's Board of Directors (or its delegate) and to the approvals specified in 17.2, except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any changes required by applicable law, all provisions of The Boeing Company Employee Retirement Plan applicable to employees covered by this agreement are to remain unchanged with the exception of the following amendments:

17.5(a) Basic Benefit. The Basic benefit will be increased to $81 per month for all years of Credited Service for Employees on the active Payroll of the Company on or after January 1, 2009 (including those who retire from the employ of the Company on January 1,2009). Effective January 1, 2012, the Basic Benefit will be increased to $83 per month for all years of credited service for employees on the active payroll of the Company, or those on the authorized period of absence on or after January 1, 2012, (including those who retire from the employ of the Company on January 1, 2012).

Section 17.6 Administration of the Retirement Plan. The Company shall have the right to unilaterally make any changes in actuarial assumptions and funding methods, provided such changes are determined by the Plan's enrolled actuary to be reasonable in the aggregate. The Company shall be entitled to unilaterally adopt such amendments to the Plan as may be required in order to obtain any approval referred to in 17.1 and described in 17.2 of the Agreement.

ARTICLE 18
NON-DISCRIMINATION

Section 18.1 Non-Discrimination. All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, religion, national origin, status as a disabled or Vietnam era veteran, age, sex, marital status, sexual orientation, or the presence of a disability, except in those instances where age, sex or the absence of a disability may constitute a bona fide occupational qualification.

Administration and application of the Agreement that is not in contravention of federal or state law shall not be considered discrimination under this Article.

Section 18.2 Non-Discrimination Grievances. Notwithstanding any other provision of Article 3, a grievance alleging a violation of this Article 18 shall be subject to the grievance and arbitration procedure of Article 3 only if it is filed on behalf of and pertains to a single employee. Class grievances under this Article 18 shall not be subject to the grievance and arbitration procedure under this Agreement.

ARTICLE 19
SEPARABILITY

Section 19.1 Separability. Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree by a court of competent jurisdiction, such invalidation of any such part or portion of this Agreement shall not invalidate the remaining portions hereof and they shall remain in full force and effect.

ARTICLE 20
ED WELLS PARTNERSHIP
A JOINT SPEEA/BOEING INITIATIVE

Section 20.1 Mission. The Company, the Union, and SPEEA-represented employees agree working together for their mutual benefit helps maintain competitiveness and technical excellence and creates a model for union/management collaboration to make Boeing a workplace of choice.

The Ed Wells Partnership develops and offers a suite of products and services to the technical workforce for the benefit of all stakeholders.

The Ed Wells Partnership will seek to develop and implement initiatives approved by the Joint Policy Board to achieve the following goals: Effective partnership; a skilled, motivated, productive and stable workforce; employability; lifelong learning; knowledge retention and sharing; and career development.

Section 20.2 Joint Policy Board. A Joint Policy Board will be established, comprised of an equal number of representatives of each party. The Board shall have responsibility for (1) providing the overall direction of the Ed Wells Partnership; (2) acting on the recommendations of the Joint Administrative Staff and providing oversight to the staff; and (3) determining the expenditure of funds provided to cover Ed Wells Partnership activities. The Board shall meet as required, but in no event less than quarterly.

Section 20.3 Joint Administrative Staff. The Company and the Union will appoint co-directors, who will assume responsibility for directing the Ed Wells Partnership activities. A Joint Administrative Staff shall be authorized by the Joint Policy Board and selected and managed by the co-directors within the budget as authorized by the Joint Policy Board.

Section 20.4 Meetings.

20.4(a) In order to meet its goals and aims, the Union must be able to speak confidently and authoritatively for its bargaining unit membership. Therefore, time will be allowed during the first week of employment for new hires into the bargaining unit to meet with a Union representative and learn about the Union's role in the Ed Wells Partnership, and by allowing regular quarterly meetings (up to two hours) of all Council Representatives on work time to discuss the issues facing the Partnership. The Joint Policy Board may authorize additional Council Representative participation in approved activities.

20.4(b) To ensure open communication, Union leaders will meet periodically with Company leaders of engineering and technical functions for the geographical areas covered by this Agreement. The purpose of such meetings will be to review the activities of the Ed Wells Partnership and its progress toward meeting the goals identified in 20.1, above. Additionally, the parties agree that high level meetings for the geographical areas covered by this Agreement will be held no less than twice annually to review the activities of the Ed Wells Partnership. Either party may suggest meetings with the Company's Office of the Chairman or others as appropriate and mutually agreed-upon.

Section 20.5 Funding. Each party shall be responsible for the salaries of its representatives on the Joint Policy Board; expenses of Board members may be covered by the fund where the expense was authorized by the Board (whenever possible, such expenses will be authorized in advance of expenditure). The Company will commit a minimum of $24.8 million (covering all Boeing SPEEA represented bargaining units participating in the Ed Wells Partnership, including the Wichita Professional Unit) during the term of this agreement in support of the Ed Wells Partnership for the activities directed by the Joint Policy Board, to include facilities, administration, publicity, equipment, materials, and such other expenses as may be agreed to by the Joint Policy Board. In addition, work statement changes for the mutual benefit of the technical workforce and the Company may be allocated additional funds as deemed necessary by the Joint Policy Board, subject to approval of appropriate Company stakeholders.

Section 20.6 Retention Ratings and Salary Adjustments. For a maximum of two years of employment, bargaining unit employees appointed to work at the Ed Wells Partnership will (a) retain the same retention rating held prior to entering the Ed Wells Partnership, unless management assigns the employee a higher retention rating, and (b) receive annual salary increases that are, at a minimum, equivalent to the negotiated salary pool for the period of such employment.

Section 20.7 Disputes. Disputes concerning any aspect of this Article shall be referred to the Joint Policy Board for resolution. No matter involving the Ed Wells Partnership, or any provision of this Article will be subject to the grievance and arbitration procedure of Article 3.

Section 20.8 Business Practices. The following business practices shall be applied:

20.8(a) The Joint Policy Board shall establish an annual budget. The amount set forth in Section 20.5 shall be separately accounted for and may not be used for any other program.

20.8(b) All labor and non-labor will be treated according to current Boeing accounting practices.

20.8(c) Labor support from other divisions will be burdened at the Boeing loaned labor rate.

20.8(d) To the extent permitted by law, a trust fund will be established pursuant to the Taft-Hartley Act, 29 U.S.C. Section 186, to contract with the Union for services of any individual employed by the Union who is named to the administrative staff established by Section 20.3. The trust shall be established pursuant to a written agreement between the parties that complies with clause (B) of the proviso to 29 U.S.C. Section 186(c)(5). In addition, the terms of any contract between the trust and the Union shall provide that the Union will be reimbursed for the services of these individuals on the basis of their base rate plus actual expenses for payroll taxes and the following employee fringe benefits: Union pension plan and package H and W insurance. The Company shall provide funds to the trust in a sufficient amount and in a timely manner to enable the trust to meet its contractual obligations to the Union.

20.8(e) Individuals employed by the Union who are named to the administrative staff established by Section 20.3 shall be full-time, dedicated to the administrative staff. On an exception basis, such individuals may perform Union business for brief periods of time. Time spent performing Union business will not be reimbursed through the trust as described in section 20.8(d). The individuals performing Union business shall keep contemporaneous records of the dates such business was performed and the amounts of time so spent, which records shall be presented to the Company with the monthly invoices for reimbursement.

Section 20.9 Confidentiality. It is recognized by the parties that a free flow of information between them is necessary to insure the success of the Ed Wells Partnership. Information which could be disclosed to the Union and to the Union Administrative Staff includes information relating to inventions, products, processes, machinery, apparatus, prices, discounts, costs, business affairs or technical data that the Company considers as confidential. In furtherance of their objective to facilitate full participation of the Union in these programs while recognizing the sensitivity of the Company's confidential information, the parties agree that any such information shall be held in confidence by the Union and the Administrative Staff and shall be used by them solely for purposes of this program. All Union Administrative Staff shall be provided a copy of this Letter of Understanding and advised of their obligations under it.

ARTICLE 21
LAYOFF BENEFITS

Section 21.1 Establishment of Plan. The Company will maintain a Layoff Benefit Plan to provide for lump sum or income continuation benefits as set forth in this Article. Such Plan will apply to employees who are laid off with an effective date on or after December 2, 2008.

Section 21.2 Eligibility. All bargaining unit employees who have at least one year of Company service and who are involuntarily laid off from the Company (including such employees who accelerate their layoff dates and employees laid off because of declining an offer for less than equivalent employment as defined by Company policy) are eligible to receive the benefit described in 21.3; provided, however, the following employees shall not be eligible for the benefit: employees who volunteer for layoff, except those who are laid off pursuant to Letter of Understanding related to Voluntary Layoffs; employees who upon their layoff become employed by a subsidiary or affiliate of the Company; employees who are laid off from the Company because of a merger, sale or similar transfer of assets and are offered employment with the new employer; employees who are laid off because of an act of God, natural disaster or national emergency; employees who are laid off because of a strike, picketing of the Company's premises, work stoppage or any similar action which would interrupt or interfere with any operation of the Company; and employees who terminate employment for any reason other than layoff, including, but not limited to, resignation, dismissal, retirement, death, or leave of absence.

Section 21.3 Amount and Payment of Benefit. An eligible employee's total lump sum or income continuation benefit shall equal one week of pay based on the employee's base salary at the time of layoff (but excluding any shift differentials or other premiums) for each full year of Company service as of the employee's layoff date, subject to a maximum benefit of 26 weeks of pay. Eligible employees may elect either of the following:

21.3(a) Benefits will be paid as a lump sum within a reasonable period of time following the effective date of layoff. Employees who accept the voluntary layoff pursuant to the Letter of Understanding related to Voluntary Layoffs shall be paid in a single lump sum. Employees who elect this option will have priority consideration recall rights under Article 8 canceled.

21.3(a)(1) Income continuation benefits will be paid in 80 hour increments, subject to an employee's total benefit, on regular paydays beginning with the second payday following the effective date of layoff. Income continuation benefits shall immediately cease upon the earlier of any of the following events: exhaustion of the employee's total income continuation benefit; re-employment with the Company or any of its subsidiaries or affiliates; failure to accept a formal offer of recall from layoff within ten workdays after it is extended or by such later date as may be stipulated by the Company; failure to report to work on the date designated by the Company; or change in the employee's employment status from layoff to resignation, dismissal, retirement, death, or leave of absence.

21.3(a)(2) Subject to continuation of the Plan, no employee shall be paid lump sum or income continuation benefits more than once during any three-year period; provided, however, if an employee is re-employed by the Company before payment of the employee's total income continuation benefit and is subsequently laid off in such three-year period under conditions which make the employee eligible for a benefit, any unused benefit will be payable to the employee under the procedures established by this Article.

Section 21.4 Benefit Not Applicable for Other Purposes. Periods for which an employee receives income continuation benefits shall not be considered as compensation or service under any employee benefit plan or program and shall not be counted toward Company service. Benefits under this Article may not be deferred into the Voluntary Investment Plan.

Section 21.5 Continuation of Medical and Dental Coverage. In the event of layoff, medical and dental coverage for employees and dependents will continue until the employee is covered by any other group medical or dental plan either as an employee or as a dependent, but in no event beyond three months after the date of layoff. However, if the layoff occurs during or after a leave of absence, the maximum total period of continued coverage is thirty (30) months in the case of medical leave or twenty-four (24) months in the case of non-medical leave, measured from the end of the month in which the leave of absence began, irrespective of the date of termination. Required contributions, if any, must be paid during any period of such continuation of coverage.

ARTICLE 22
JOB CLASSIFICATIONS

Section 22.1 Authorized Job Classifications. Each job classification listed in Appendix B shall, for the period of this Agreement, remain in effect, subject to revisions as provided in 22.4, unless made inactive by mutual agreement of the Union and the Company.

Section 22.2 Definition of Job Classification. A job classification is defined by occupation, job family, and level codes as identified within the Company's Salaried Job Classification (SJC) system.

Section 22.3 Application and Intent of Job Descriptions.

22.3(a) Occupations are the broadest categories of work. Job families describe the organization of tasks. Level descriptions guides identify various levels of responsibility within the job family. Each job

classification is linked to Skills Management Codes (SMCs) within the SJC system. SMCs identify unique knowledge, skills, abilities, and environments within the job family.

22.3(b) Each occupation code, job family code, level code and SMC is defined by a unique description as identified within the SJC system.

22.3(c) An employee may perform some of the work of a higher level and/or some of the work of a lower level in the performance of the work assignment. It is not anticipated that any employee will perform all the duties set forth in the job description. Any work assignment may include:

22.3(c)(1) Teaching, instructing, leading or providing assistance to others.

22.3(c)(2) The use of equipment to facilitate the work assignment.

22.3(c)(3) The submission of completed work or any portion thereof for checking or approval.

22.3(c)(4) The reporting of any work impairment such as errors in materials, processes, equipment, etc.

Section 22.4 New or Revised Job Family, Level Guides, and SMC Descriptions. If, after the effective date of this Agreement, the Company or the Union determines that no existing job family, level guide or SMC description appropriately covers a new or reorganized work assignment, either party may initiate a request for evaluation and review through the Company's SJC Maintenance Process. The Union will participate as a voting member on the Company's SJC team in the identification, evaluation, and review of all proposed changes to job family descriptions and level guides for SJC job classifications listed in Appendix B and their associated SMC descriptions. The Company will implement changes (1) by revising or deleting an existing job family, level guide, and/or SMC description; or (2) by developing a new job classification code, with supporting descriptions, which will be incorporated into Appendix B through the issuance of an installation memo; or (3) the Company will establish a Temporary Job Classification and/or SMC in accordance with 22.4(b).

22.4(a) Union Challenges of Level(s) for New or Revised Level Guides. In the event the Union disagrees with the number or description of level(s) of a new or revised job level guide it must, within thirty (30) calendar days from the date the new or revised job level guide is forwarded by the Company, challenge the level, setting forth in writing the reasons why the Union disagrees. Otherwise, the level guide as determined by the Company will stand.

22.4(a)(1) If the Union challenges a new or revised level guide, the Company's Director of Compensation and Benefits, and his/her appointees, and Union representatives shall meet within forty-five (45) calendar days of the request for the purpose of attempting to reach agreement as to the appropriate level guide. Disagreements between the Union and the Company shall be resolved exclusively on the basis of the level guide assigned as a result of the Company's application of 22.4. A Union challenge shall in no way prevent or delay the Company from assigning personnel to the job classification involved in the challenge.

22.4(a)(2) If the Union challenges a new or revised level as submitted by the Company, and it is determined that the level is not correct, the Company will pay each employee involved at a rate that is within the range of the corrected level, for the time in which the employee has performed the duties of the corrected level.

22.4(b) Temporary Job Family, Level, or SMC. A temporary job family, level, or SMC may be established by the Company for new or revised work for which no current job family, level, or SMC is applicable and which requires a period of time to stabilize job duties. This period will not exceed ninety (90) days unless extended by mutual agreement. The Union will be notified of the effective date and approximate duration. Employees will be assigned to such new work at not less than their current levels until the job family and level is made permanent. If the temporary job family code or level is

made permanent at a higher level than the levels of the assigned employees, these employees will be paid within the range of the higher level for the time assigned to the work covered by the permanent job family or level. Effective upon and after the Company's determination that a temporary job family and/or level has become permanent, the provisions of 22.4 shall apply.

Section 22.5 Individual Employee Job Classification.

22.5(a) It is a mutual objective of the Union and the Company that the job classification of each employee be an accurate and timely reflection of the work assigned; however, the Company shall retain the exclusive right to reassign employees as necessary to meet work requirements, and employees shall comply with such reassignments notwithstanding the employees' job classifications of record at the time. If the Company determines, by reference to the applicable job family description, that an employee's level is higher than is appropriate for the work to which the employee is assigned, the Company may permit the employee to continue in the same assignment without reclassification for whatever period of time the Company elects; or the Company may add to the employee's current assignment or reassign the employee to other work for which the employee's level is appropriate; or, within the limitations stipulated in this Article 22, the Company may reclassify the employee to the level that the Company deems appropriate for the work assigned.

22.5(b) Because an employee may be assigned work at a level lower than the employee's current level without being reclassified to the lower level, the levels or work assignments of individuals other than the employee shall not be introduced or regarded as pertinent evidence for the purposes of 3.6(a), unless by mutual agreement of the parties.

22.5(c) Temporary promotions to a higher level will be made by management to accommodate short-term assignments anticipated to last more than thirty but not exceeding ninety continuous calendar days, or for such period longer than ninety continuous calendar days as may be designated by mutual agreement between the Company and the Union. Temporary promotions will be distinguished from other promotions in the Company's records systems, and for the purposes of 8.1(b), 8.2, and 8.3, an employee in such status shall be considered as still being in the job classification from which the temporary promotion occurred.

22.5(d) Employees may be reclassified to a higher level irrespective of their assigned retention rating.

22.5(e) Challenges Concerning Individual Employee's Job Family, Level, or SMC. An individual employee may request a review of his or her job classification or level based on the contention the work assigned by the Company differs from the job classification or SMC to the extent and in such a manner as to warrant reclassifying the employee to a different existing job classification or SMC. Employees will attempt to resolve their classification first by discussion with first-line management. In the absence of a resolution mutually agreeable to both management and the employee, the following steps will be utilized in the review process:

22.5(e)(1) If the employee contends that a classification or level issue still exists, he or she along with his or her Union Representative will notify the Skill Team Manager to request a review.

22.5(e)(2) The Skill Team Manager will meet with the employee and the Union Representative to fully discuss the employee's issue in an effort to reach mutual resolution.

22.5(e)(3) If the employee and Union Representative do not agree with the Skill Team decision, the Skill Team Manager, the appropriate Human Resources Representative and the Union Representative will meet to resolve the matter by a majority decision.

Section 22.6 Reclassification to a Lower Level. The Company may alter employee work assignments or reassign employees to lower-level work for which the Company deems they are qualified, and effect commensurate reclassification to lower level, either as required to comply with the layoff procedure described in 8.3 or to accomplish reorganizations of work deemed by the Company to be necessitated by

changing business conditions. When suitable work adjustments or employee reassignments are determined impracticable by the Company, misclassifications shall constitute surpluses as defined in 8.1(a)(4) and shall be resolved in accordance with Article 8. Reclassifications to lower levels shall be subject to the limitations set forth in 22.6(a)(1) through 22.6(a)(9). Additionally, the limitations set forth in 22.6(b) shall apply to in-place reclassifications to lower levels, i.e., cases in which the assignment an employee is performing is altered such as to remove that portion of the assignment that previously justified the higher level.

22.6(a) Conditions Applicable to Reclassifications to Lower Levels.

22.6(a)(1) No employee in Level 2 or B and above shall be reclassified to a lower level so long as there are in the same job classification within the same Major Organization any employees in a lower retention rating whose retention in that job classification has not resulted from application of exceptions specified in 8.3(d)(1). These provisions shall likewise apply to employees in Level 1 or A, except they shall apply only within the principal subordinate organization or program to which the employee is assigned.

22.6(a)(2) Within the same job code, no employee shall in any one transaction be reclassified to a level lower than the next authorized level.

22.6(a)(3) No employee shall receive more than one (1) reclassification to a lower level during any period of twelve (12) consecutive months of continuous employment, unless as an option to layoff under the provisions of 8.3(d)(1).

22.6(a)(4) Employees shall be permitted to elect layoff in lieu of reclassification to lower level. Employees rejecting reclassification to lower level will be subject to layoff effective two (2) calendar weeks from the date of the reclassification offer, irrespective of the layoff notice provisions of 8.3.

22.6(a)(5) All reclassification to lower level offers shall be stated in writing on forms provided by the Company, reviewed and approved by the Company, and then provided to the affected employee at least two weeks prior to the effective date.

22.6(a)(6) Employees reclassified to a lower level while on the active payroll shall have priority rights to open positions as described in 8.2(e)(2).

22.6(a)(7) The reclassified employee's work assignment shall be consistent with the applicable job family description and responsibility level guide.

22.6(a)(8) The Company will strive to minimize reclassifications to lower levels in the handling of workforce surpluses and employee reassignments, consistent with the provisions of Article 8; however, the determination of business conditions necessitating reclassifications to lower levels shall continue to be made exclusively by the Company, and shall not be subject to the grievance and arbitration procedure of Article 3.

22.6(a)(9) If, subsequent to a reclassification to a lower level, an employee is assigned to work for which a higher level is appropriate as determined by reference to applicable job family descriptions and responsibility guides, the employee shall be reclassified to the higher level in accordance with 22.5.

22.6(b) Additional Condition Applicable to In-Place Reclassifications to Lower Levels Only.

22.6(b)(1) In-place reclassifications to lower levels shall not occur into the lowest authorized level of any job classification for which the lowest authorized level is Level 1 or A if at least three (3) levels are authorized for that job classification. The attached Appendix B, subject to revisions as provided in 22.4, shall be the exclusive reference for determining which levels are authorized.

22.6(b)(2) If an in-place reclassification to a lower level offer is made as a result of the removal of a portion of the assignment which previously justified the higher level, the employee and manager will define the revised assignment closing out the Performance Management plan and initiating a new plan in conjunction with the reclassification offer.

22.6(c) Employee Preference for Reclassification to a Lower Level. The Company may, at its sole discretion, effect the reclassification to a lower level of any employee who expresses a preference for reclassification as an alternative to transfer or to discharge for a documented record of unacceptable performance. The provisions of 22.6(a)(1) through 22.6(a)(6), 22.6(a)(9), 22.6(b) and 8.2(e)(2) shall not apply to such cases.

Section 22.7 The provisions of 22.4, 22.5, and 22.6 are not subject to the grievance and arbitration procedures of Article 3.

ARTICLE 23
DURATION

Section 23.1 Duration.

23.1(a) This Agreement shall become effective December 2, 2008, and shall remain in full force and effect until the close of October 6, 2012, and shall be automatically renewed for consecutive periods of one year thereafter, unless either party shall notify the other in writing, at least sixty days and not more than ninety days prior to October 6 of any calendar year, beginning with 2012, of its desire either (1) to amend this Agreement, or (2) to terminate this Agreement as of a date stated in such notice to terminate, which date shall be subsequent to such October 6 provided that, in any event, this Agreement shall expire at the close of October 6, 2017.

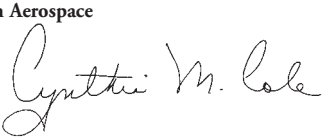
23.1(b) If either a notice to amend or a notice to terminate is timely given pursuant to 23.1(a), the parties agree to meet within thirty days thereafter for the purpose of negotiating an amendment to this Agreement or a new contract.

23.1(c) If a notice to amend is timely given pursuant to (1) of 23.1(a), either party may at any time thereafter notify the other in writing of its desire to terminate this Agreement as of a date stated in such notice to terminate, which date shall be subsequent to October 6 of the year in which such notice to amend is timely given and at least sixty days subsequent to the giving of such notice to terminate.

23.1(d) This Agreement and any amendment thereof pursuant to this Article shall continue in full force and effect until either (1) a new contract superseding it is consummated, (2) it is terminated by a notice to terminate timely given pursuant to clause (2) of 23.1(a) or 23.1(c), or (3) it expires, whichever shall first occur.

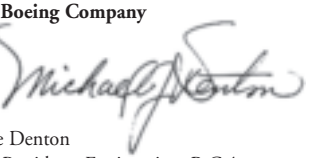
Signed at Seattle, Washington and dated this 6th day of March, 2009.

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 1
RELATING TO CHILD/ELDER CARE AND CHILD DEVELOPMENT PROGRAMS

The Company will continue a comprehensive Child and Elder Care program. The program consists of referrals of employees to licensed care facilities, consultation with employees to determine individual needs, and providing educational materials and programs.

The Company is developing people strategies to support individuals in the workforce and retain valuable employees with the end goal to make the Company more competitive. These strategies recognize that employee concerns about child care can affect an individual's productivity and work focus. To support these strategies, the Company has implemented a Child Development Program to build on other Company programs which support employees and their families.

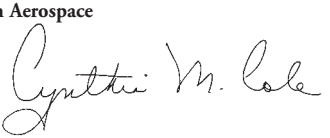
As one element of the program, the Company has, in coordination with the Union, established two near-site day care centers (Everett and Renton/Longacres). The day care centers are operated by a third-party with fees charged to participating employees geared at an operations break even level.

Additional components of the Company's Child Development Program include providing leadership to help improve the quality and availability of child care in communities where employees live and enhancing child care referral services through the existing Child and Elder Care referral program. Consideration will be given to adding other elements, such as collaboration by the referral program with day care providers and parents on evaluation of facilities and day care curriculum, assistance in extended/alternate hours, and assistance dealing with specific day care needs.

Finally, in an effort to assist employees' work-related needs, the Company and the Union agree to meet at least quarterly (if requested) to exchange concerns related to dependent care issues, including but not limited to issues arising due to employee movement to new or relocated Company facilities.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 2
RELATING TO DRUG AND ALCOHOL FREE WORKPLACE PROGRAM

The Company and the Union enter this Letter of Understanding to address the serious societal problem of drug and alcohol use and abuse. The Company and the Union affirm their joint objective to achieve a drug and alcohol free workplace while complying with applicable government laws and regulations. To that end, the parties agree to a drug and alcohol free workplace program with these principal components: a comprehensive employee assistance program emphasizing rehabilitation; employee awareness; training; and testing.

A. Employee Assistance Program

1. The Company will continue to provide a comprehensive Employee Assistance Program (EAP). One of the major purposes of the program is to rehabilitate employees experiencing drug and alcohol problems through a professional assessment and referral service with

follow-up counseling. The service will be provided by trained, professional counselors employed by an EAP company under contract with Boeing.

2. Voluntary participation in the EAP may occur through referral (self, union, management, others). These employees will have their treatment monitored by the EAP and be subject to follow-up counseling and testing by the treatment provider.

3. Mandatory participation in the EAP will be offered as an alternative to discharge to employees who have (a) had a discharge for attendance or performance problems held in abeyance, or (b) a verified positive drug or alcohol test administered by the Company. Abating a discharge with mandatory Drug Free Workplace (DFW) program participation will also be available in those circumstances associated with attendance where the employee's violation is a failure to meet management expectations concerning advance notification of absences or deviations from established work schedules. Mandatory participants will be subject to the terms and conditions of the "Compliance Notification Memo" (attached hereto). Violation of any of the terms of the Compliance Notification Memo normally will result in discharge from employment.

4. The parties further agree that their activities in support of Alcoholics Anonymous have been successful and that those activities will include other self-help groups, such as Narcotics Anonymous and Cocaine Anonymous. In addition to the current support provided, the Company and the Union will publicize the efforts of these self-help groups.

B. Employee Awareness

1. The Company will continue its drug and alcohol awareness program designed to keep employees informed of the drug and alcohol free workplace program, including opportunities for rehabilitation through the EAP, the dangers of drug and alcohol use and abuse, and drug and alcohol testing.

2. The awareness program will disseminate the information through pamphlets, news articles, mailouts, video tapes, the Boeing Web, or other media.

C. Training

1. The Company will maintain a drug- and alcohol-free workplace training course for its managers, human resource representatives, medical professionals, and DFW Focals. The training will be designed to:

a. Identify the extent and impact of drug and alcohol use.

b. Describe the principal federal legislation and regulations for a drug and alcohol free workplace.

c. Identify the Company rules pertaining to drugs and alcohol and the appropriate action to be taken upon violation.

d. Identify the principal components of the Drug and Alcohol Free Workplace Program (rehabilitation, awareness, training, and testing).

e. Explain the Employee Assistance Program, opportunities for rehabilitation, and the consequences of rehabilitation failure.

f. Explain the facts of drug and alcohol testing accuracy and procedures, such as the chain of custody.

g. Enable participants to effectively apply observed and documented performance criteria and appropriate procedures in referring the employee to the Employee Assistance Program.

h. Enable participants to effectively apply observed and documented criteria typically indicative of drug or alcohol use and apply appropriate reasonable suspicion testing guidelines in referring employees to Medical for medical observation and possible testing.

i. Enable participants to apply appropriate post-accident testing guidelines in referring employees for testing.

2. The training will not be designed to teach participants to be substance abuse experts or professional counselors.

3. Union selected individuals, including but not limited to the Union's Executive Board, Council Representatives, and staff members, will be invited to participate in training. The Union will provide the Company with a list of those persons to be trained once a year.

4. Whenever practicable, Union selected individuals and Company managers will be trained together.

D. Drug and Alcohol Testing

1. The Company will implement a drug and alcohol testing program designed to deter misuse and abuse and to provide a means for early identification, referral for treatment, and rehabilitation of employees with abuse problems, as outlined below.

2. The Company will at all times comply with its policy and procedures and with applicable government laws and regulations designed to safeguard the accuracy and reliability of drug and alcohol testing and to protect the confidentiality of those tested. Specifically, the Company will follow applicable regulations (49 C.F.R. Part 40, "Procedures for Transportation Workplace Drug and Alcohol Testing Programs"). For drug testing, these cover:

a. Collection procedures, including strict chain of custody to prevent mislabeling or alteration of urine samples and to account for the integrity of each sample from the point of collection to final disposition;

b. Use of a United States government certified laboratory with state-of-the-art testing methodologies, including confirmation testing using gas chromatography-mass spectrometry instrumentation;

c. Testing only for substances required by the regulations and for which the laboratory has been certified by the United States government, using government-mandated cutoff and confirmation levels; conducting validity testing to determine if the specimen has been adulterated or substituted;

d. Undertaking a quality assurance and quality control program designed further to ensure laboratory testing accuracy;

e. Periodic inspections of the laboratory;

f. Employment of qualified medical review officers (MRO) who are licensed physicians with knowledge of substance abuse disorders and with the medical training to interpret and evaluate a positive test result, medical history, and other relevant data for the

purpose of verifying positive results, determining adulteration or substitution, and making return-to-work recommendations;

g. Giving the employee an opportunity to provide a legitimate, alternative medical explanation for the result. Should such an explanation be provided, the test result will be reported as negative;

h. Advising the employee of the opportunity to request analysis of the split sample within 72 hours of being notified of a positive result. The Company will pay for split specimen testing. Portions of the original specimen not subjected to the testing process will be placed in proper storage and retained by the laboratories in case subsequent testing is requested or required;

i. Ensuring confidentiality of test results, of information provided by the employee to the MRO, and of employee participation in the EAP in accordance with existing Company policy and the federal regulations; and

j. Retaining all confirmed positive specimens at the laboratory for at least one (1) year in accordance with the federal regulations.

3. Alcohol testing will be conducted using breath samples. The instrument shall be approved by the Department of Transportation as an evidentiary breath testing device and used only by trained operators (Breath Alcohol Technicians). For alcohol testing, levels at or above .04 percent blood alcohol content will be considered positive (exception noted in para. 9).

4. The Company will conduct employee testing under the following circumstances:

a. Reasonable suspicion drug and alcohol testing covering all employees. "Reasonable suspicion" means there is information that would cause a reasonable person to believe that an employee has used or is impaired by alcohol or drugs. The Company will use the following standards to determine when testing may be appropriate: signs of impairment to include but not limited to, difficulty in maintaining balance, distinct odor of drugs and/or alcohol, slurred speech, abnormal or erratic behavior, or apparent inability to do assigned work in a safe or satisfactory manner.

In addition, the Company will require that all information relied upon to initiate a reasonable suspicion test be documented prior to testing, that two designated individuals (at least one of whom has been trained as referenced in paragraph C.1) agree that testing is appropriate and sign required documentation, and that a trained medical professional examine the employee to determine if there is a medical condition requiring emergent medical care. In the event a Company location does not have a staffed medical facility when the employee is escorted for review, a trained manager will determine whether the employee should be escorted to an off-premises medical facility for the required evaluation.

b. Post-accident drug and alcohol testing or testing following a serious violation of a safety rule or standard, covering all employees. An employee may be tested when a work-related incident has occurred involving death, serious bodily injury or significant property/environmental damage, or the potential for death, serious injury, or significant damage, and when the employee's actions(s) or inaction(s) either contributed to the incident or cannot be completely discounted as a contributing factor.

c. Random drug and alcohol testing of designated employees as expressly required by United States government agencies. The Company will comply with random testing standards set forth in applicable government agency regulations.

d. Follow-up drug and alcohol testing of all employees who (1) have a first-time verified positive drug or alcohol test (including refusal to test), or (2) have a discharge for performance or attendance problems held in abeyance.

e. Pre-assignment drug testing of employees selected to transfer into or otherwise perform in a position designated safety-sensitive, sensitive or mission critical for random drug testing, where pre-assignment testing is expressly required by United States government agencies.

5. Refusal to (a) complete the collection process following adequate explanation of the consequences of refusal, (b) accept EAP referral subsequent to a positive drug or alcohol test, (c) when required, accept or complete EAP treatment recommendations, or (d) accept the terms and conditions of the Compliance Notification Memo shall result in corrective action, up to and including termination of employment. Failure to appear immediately for testing, or refusing to take a test, will be considered the same as a positive result.

6. For reasonable suspicion and post-accident testing only, the employee has the right to request the presence of a Union Representative at the collection site. The Union Representative shall not in any way interfere with or otherwise obstruct the collection process. The parties agree that the collection may be delayed, for a period, not to exceed thirty (30) minutes, to await the arrival of the Union Representative. The thirty (30) minute period will commence when the Union, to include a Union Representative, is notified.

7. Consequences of a Positive Test Result

a. No employee will be discharged because of a first verified positive test result (to include refusal to test) except pursuant to D.4.d(2) above. Instead, the employee will be required to submit to EAP evaluation and, if recommended, will have a one-time opportunity to enter a treatment program. Such employees remain subject to corrective action, up to and including discharge, for independent reasons.

b. An employee who has a second verified positive test result within three years of the first such result or on a Company-administered test conducted after that period, normally will be discharged from employment.

8. Procedure Following a Positive Test Result

a. An employee will not be removed from continuous pay status because of a drug or alcohol test result until the Medical Review Officer or the Breath Alcohol Technician verifies the test result.

b. As part of the verification process, the MRO will attempt, in accordance with applicable regulations, to contact the employee to determine whether an acceptable medical explanation for the confirmed positive result exists. The MRO will review in confidence any information provided by the employee. If the MRO determines there is an acceptable medical explanation for the positive test result, the result shall be reported as negative with a safety concern. Medical personnel will evaluate the employee based on the MRO concern to ensure they can safely perform their duties. Should an accommodation be required, the company will work with the employee to ensure it is complete. DFW will treat this as a negative result.

c. After verification of a positive test result, the employee shall be given 24 hours to contact the EAP for an appointment so that an EAP assessment can be made. An appointment for an EAP assessment will be made. Failure to keep the appointment without an acceptable excuse will result in discharge from employment. The employee may be returned to work after an EAP evaluation is made and negative return to duty drug and alcohol test results have been received.

d. The employee may not return to work until results on drug and alcohol tests administered by the Company are negative. A validated positive return-to-work drug or alcohol test will be grounds for discharge from employment.

e. The employee is required to accept and comply with the terms of a Compliance Notification Memo.

f. The employee is subject to follow-up testing as directed by EAP. A minimum of six (6) unannounced tests per year will be conducted for three (3) years of active payroll status following return to work.

9. Procedure Following a Positive Alcohol Test

An employee having a positive blood alcohol content of .02 or greater, but less than .04, will not be required to submit to an EAP evaluation or to other provisions of the drug and alcohol free workplace program, although voluntary participation will be encouraged. Such employees will, however, be removed from the assignment and suspended for the remainder of the shift. Such action shall be taken immediately when the Breath Alcohol Technician notifies management of the positive alcohol test result. If the employee's alcohol test result is .04 or greater, conditions described in paragraphs 7.a, 7.b, 8.a, and 8.c through 8.f above shall apply. If the employee is currently participating in a follow up program and the result is .020 or greater, they will be discharged.

10. The Company and the Union agree to continue the Joint Alcohol and Drug Dependency Program as an integral part of the Company's drug- and alcohol-free workplace objectives. As part of that program, the parties agree to continue a Joint Advisory Committee to:

- Review the drug and alcohol segments of the Employee Assistance Program on a regular basis, and
- Make recommendations on enhancing the effectiveness of those segments.

This advisory committee will be composed of two (2) Company representatives (including the Employee Assistance Program Administrator) and two (2) Union officials.

11. The parties recognize that our practices must comply with 49 C.F.R. Part 40, "Procedures for Transportation Workplace Drug and Alcohol Testing Programs," as interpreted by the appropriate government agency. The Union reserves the right to grieve and arbitrate the question of whether the Company has appropriately applied the requirements of 49 C.F.R. Part 40.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By

Cynthia Cole
President

The Boeing Company

By

Mike Denton
Vice President, Engineering, B.C.A.

COMPLIANCE NOTIFICATION MEMO ("CNM")

This Compliance Notification Memorandum ("CNM") is being entered into pursuant to PRO 388.

_____ _____ is subject to the following requirements:

Employee Name BEMSID

1. Employee is REQUIRED to contact the Employee Assistance Program (EAP) within 24 hours of issuance of this CNM. Failure to do so will result in termination of employment. EAP contact phone number will be provided to the employee when the CNM has been signed.
2. Employee will successfully complete the required treatment and/or training program specified by the Employee Assistance Program (EAP) Counselor, and any amendments to the specified program created by the EAP Counselor. Employee's satisfactory participation in the specified program is required as a condition of continued employment by The Boeing Company ("the Company"), and shall continue until such time as the Company's EAP or its designee determines that Employee's participation is no longer necessary. Changes in the EAP specified program shall be in writing and coordinated in advance with EAP. Any failure by Employee to participate satisfactorily in the EAP specified program (as determined at the sole discretion of EAP) or any violation of this CNM shall be sufficient grounds for Employee's termination of employment. Employee's cooperation with personnel and functions administering and monitoring the EAP specified program is required, and any failure by Employee to cooperate will be deemed a failure to participate satisfactorily in the EAP specified program.
3. Employee will be subject to unannounced follow-up drug and alcohol testing for a three year period that will begin when the return to duty drug and alcohol negative test results are reported to the Enterprise Drug Free Workplace office. A verified positive drug test result, a confirmed alcohol test result or a refusal to test determination on the return to duty tests or during the unannounced follow-up testing period will be grounds for Employee's termination of employment. An interruption in Employee's active employment status because of EAP treatment, layoff, resignation, leave of absence, or any other reason will extend the three year period by the duration of the interruption.
4. Employee acknowledges that medical personnel, or other personnel involved in monitoring Employee's compliance with this CNM, will be obligated to report to cognizant management information about any violation by Employee of the terms and conditions of this CNM.
5. Employee will continue to be subject to corrective action, up to and including termination of employment, for reasons not related to the matters addressed in this memo.
6. The Union (if applicable) and I waive any right to challenge any termination pursuant to paragraphs (1) or (3) through any court, arbitration, or other form of proceeding.
7. Employee ❑ IS ❑ IS NOT (check one) a member of a collective bargaining unit. Name of collective bargaining unit, if applicable: _____ . Employee ❑ REQUESTS ❑ DOES NOT REQUEST (check one) union involvement in this matter.
8. Discharge in Abeyance is contingent upon the confirmation of substance abuse by an Employee Assistance Program Counselor.

❑ DIA Attendance ❑ DIA Performance

ACKNOWLEDGMENT BY EMPLOYEE
Employee signature required.
I have received and read the above:

Signature of Employee	Date	Signature of Union Official	Date
Printed Name of Employee	Date	Printed Name of Union Official	Date

ACKNOWLEDGMENT BY THE UNION (If Applicable)

ACKNOWLEDGMENT BY THE COMPANY

Signature of Company Official	Date	Signature of EAP Counselor	Date
Printed Name of Company Official	Date	Printed Name of EAP Counselor	Date

CONCURRENCE OF EMPLOYEE ASSISTANCE PROGRAM (Required in Discharge in Abeyance only)

Original and all copies of CNM to be retained by the DFW Enterprise Office.

LETTER OF UNDERSTANDING NO. 3
RELATING TO HEALTH AND SAFETY IN THE WORKPLACE

The Company and the Union recognize their mutual concerns for the health and safety of employees; for the exchange of information regarding issues of safety and health, such as the use and handling of hazardous materials and equipment in the workplace; and for the physical conditions under which the work is performed.

Therefore, the Union will nominate an individual to be a SPEEA representative on appropriate Product Sector SHEA committees at the Company's Kent, Auburn, Renton, and Everett sites. All nominees must be approved by the Company.

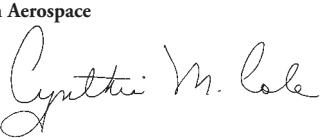
The Product Sector SHEA committees may, at their discretion, establish subcommittees as necessary to investigate health and safety concerns identified by Union-represented employees. The Product Sector SHEA committees will designate the members of any such subcommittee, which shall include at least one Union representative.

The parties' longstanding commitment to individual employee safety and regulatory compliance extends to issues regarding personal protective equipment and safety devices and the value of working together to create an injury-free workplace. To further this commitment, the Company will provide employees up to $75 per year towards the purchase of approved safety shoes where such shoes are mandatory due to regulatory compliance or Company directive or with management concurrence of the request. The reimbursement process utilized will be the organization's existing process for reimbursement of incidental business expenses or any other mutually acceptable reimbursement process.

In addition, the Company agrees to present to the Union, not less than annually, a review of current issues regarding the physical work environment and the activities of the Corporate Safety, Health, and Environmental Affairs (SHEA) organization. The Union may request additional meetings in order to address its concerns. The agenda for each meeting shall be agreed to by both parties in advance of such meeting.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

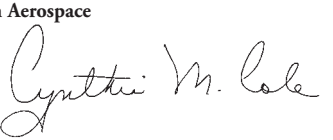
Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 4
RELATING TO DATA REPORTS

The Company will provide that data to the Union which is listed in the memorandum from the Company to the Union, dated October 31, 2008, subject to such revisions in the future as may be made by mutual agreement of the parties. Nothing herein is intended to waive any right the Union may have to receive additional data.

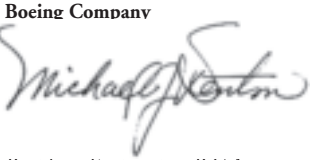
Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

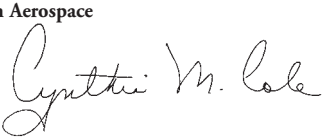
Mil
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 5
RELATING TO REPRODUCTION OF CONTRACTS

The parties agree, in the spirit of labor/management cooperation, to equally share the costs of reproduction of the labor agreements as a combination of bound books and/or CD's.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
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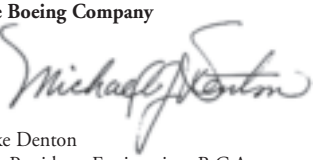
By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 6
RELATING TO EMPLOYMENT STABILIZATION, OUTSOURCING AND USE OF NON-BOEING LABOR

The parties recognize that the foundation of a strong, competitive Company is in the stability and core capability of a Boeing direct engineering and technical workforce. The best assurance of employment stability is the continued development of the SPEEA-represented workforce balanced with the legitimate need for flexibility to successfully compete in a global market.

The parties also agree that development opportunities such as lead roles, challenging technical assignments, and workforce development programs (knowledge transfer) for the Boeing workforce are key to retaining the capability to envision and implement future products.

To ensure the statement of work commitments are met and to mitigate fluctuations in Boeing direct employment, assistance from a variety of technical resources may be necessary.

Stability of the technical workforce remains a long term objective and will be accomplished through workforce development activities (e.g. Career Roadmaps, function specific training, and rotation programs), strategic staffing decisions, and continuous and active engagement of all employees.

To foster our commitment for active engagement, the parties have agreed to enhance the employment stabilization process through the Joint Workforce Committee to discuss and provide relevant, necessary information on a variety of workforce-related subjects, such as skills management, the Performance Management process, employment forecasts, current and future business and its influence on staffing strategies, the job posting and transfer process, workforce education, and new skills development training related to future skills and competencies. The committee will meet no less than quarterly.

The Company and Union also agree to the following:

- The Joint Company/Union Partnership Leadership Committee, including the respective leaders of Engineering for all Major Organizations, agrees to meet not less than twice annually with the Joint Workforce Committee to focus on issues relating to current and future business and their influence on staffing strategies.

- The Company approaches these meetings with the belief that it is in the best interest of our employees, Boeing, and the Union for our employees and the Union to be informed about the Company's general business strategies regarding the use of Non-Boeing labor and subcontracting that may affect bargaining unit employees, and for the Company to hear and consider the ideas of our employees and the Union about the same. Accordingly, in these meetings, the

Company will discuss issues as noted above, as well as related subjects of mutual interest with the Union.

- These discussions will include a review of significant changes to subcontracting that the Company is considering that may affect bargaining unit employees. The Union will be given a reasonable opportunity to bring employees and staff (normally five or less in total, unless otherwise agreed) to these meetings to participate and to provide input during these discussions. In addition, it is the Company's desire to continue this dialogue outside of these meetings as necessary.

- The parties recognize that a variety of circumstances, including but not limited to, the emergent or competition sensitive nature of a requirement, may limit or prevent these discussions. The Union recognizes that the Company will move forward with these subcontracting and related decisions about the use of Non-Boeing labor, and that the Company's actions will be final and not be subject to Article 3.

- With regard to the use of Non-Boeing Labor, the Company will respect and adhere to international labor standards, as expressed in The Boeing Company Code of Basic Working Conditions and Human Rights.

In summary, the parties recommit to providing for a short term and long term balance between the Company's need to successfully compete in a global economy and employees' expectations of employment security.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By

Cynthia Cole
President

The Boeing Company

By

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 7
RELATING TO PERFORMANCE REMEDIAL ACTION

In an effort to assist all employees in reaching their full potential, a process has been adopted to identify and constructively address performance deficiencies and/or an insufficient level of skills, knowledge, and abilities necessary for current assignments.

This program includes:

- Notifying the employee of the performance deficiency through issuance of a Notice of Remedial Action form (NORA).

- Notifying the employee of the skills, knowledge and abilities necessary for current assignments.

- Developing a clear and cogent program for the employee to correct the performance deficiency and/or acquire the necessary skills, knowledge, and abilities.

Prior to issuance to the employee the proposed NORA shall be forwarded to the appropriate Employee Relations focal for review with the Union. Such review will include a discussion about the performance criteria identified in the NORA to be utilized by the Company in assessing the employee's ability to satisfy the NORA requirements and resolve the performance deficiencies.

- Employees will be provided a minimum of 30 calendar days (excluding any paid holidays) to improve their performance and meet the requirements of the NORA.

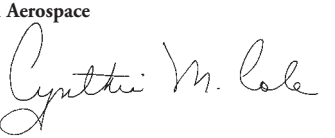
- The manager or their designee will be available to participate in follow-up meetings with the employee, and the Union representative when requested and available, to provide status on progress.

When the manager concludes that the employee has failed to achieve the minimally acceptable performance for their classification the manager will communicate that conclusion to the appropriate Employee Relations representative to jointly determine what action will be taken. Such action may include discharge or reclassification when appropriate.

In accordance with the general objectives stated in Article 8, the Union and the Company agree that employees who are identified as having performance deficiencies or inability to acquire the necessary skills, knowledge, and abilities, may be terminated or, at the Company's option, may be declared surplus to the needs of the Company and placed on layoff in accordance with the layoff provisions of Article 8, irrespective of their retention rating. Employees laid off according to those provisions will retain all rights they may have under Article 3.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 8
RELATING TO VOLUNTARY LAYOFFS

The Company and the Union agree that, any provision in the parties' Collective Bargaining Agreements to the contrary notwithstanding, the Company will establish a pilot Voluntary Layoff with modified benefits process that shall be distinguished from the specific benefits provided for employees laid-off involuntarily and that will be applicable to SPEEA-represented employees. These benefits will consist of the following:

- One week of pay for every two (2) years of service (up to a maximum 13 weeks of pay) to be paid as a single lump sum payable within a reasonable period of time following the later of the effective date of the layoff and the Company's receipt of a valid release and waiver;

- Medical and dental coverage for laid off employees and their dependents will continue until the employee is covered by any other group medical or dental plan either as an employee or as a dependent, but in no event beyond three months after the date of layoff. However, if the layoff occurs during or after a leave of absence, the maximum total period of continued coverage is thirty (30) months in the case of medical leave or twenty-four (24) months in the case of non-medical leave, measured from the end of the month in which the leave of absence began, irrespective of the date of termination. Required contributions, if any, must be paid during any period of such continuation of coverage.

An employee classified in a job family and SMC that has been declared surplus may request that he or she be voluntarily laid off with modified layoff benefits if the request is approved by management subject to situational conditions and selection criteria as defined by the Company. The employee will be coded as a layoff and will be regarded for all Company purposes as a laid off employee (including for purposes of reporting to state employment security departments), entitled to receive layoff benefits provided

under Article 21, except that the provisions of Article 21.3(a)(1) shall not apply and the provisions of Article 21.3(a)(2) shall apply only with respect to lump sum payments. The Union will be advised of all employees approved for voluntary layoff.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By

Cynthia Cole
President

The Boeing Company

By

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 9
RELATING TO TEMPORARY RECALL

The parties acknowledge that occasionally situations arise when short-term assignments require additional staffing. The Company in its sole discretion has from time to time preferred to have this work performed by employees on active recall status.

The parties agree to continue the process described immediately below.

1. The process shall be known as Temporary Recall and shall be defined as the temporary re-employment of individuals on active layoff status (hereinafter "employees").

2. Temporary Recall assignments may be designated for specific programs or projects with a defined beginning and ending date. The normal minimum will be one month and the normal maximum will be six months. Assignments will normally be full time (average 80 hours in a pay period).

3. The Company will determine which employees will be offered Temporary Recall assignments. Temporary Recall will be strictly voluntary on the part of the employee. Refusing to consider an employee for Temporary Recall or an employee's rejection of an offer of Temporary Recall will not affect the employee's active layoff status.

4. Temporarily recalled employees will receive the same salary they were receiving prior to layoff, adjusted for any general wage increases implemented between the date of their original layoff and temporary recall.

5. If the temporarily recalled employee begins within one year of the original layoff effective date, eligibility for coverage for medical/dental insurance, life insurance, accidental death and dismemberment insurance, business travel accident insurance, long-term and short-term disability insurance, and voluntary personal accident insurance begins on the first day of the month following the month in which the re-employment commences. If the temporarily recalled employee begins at least one year after the original layoff effective date, eligibility for coverage for such benefits begins the first day of the month following one full calendar month of continuous employment.

6. With regard to the Retirement Plan, unused sick leave, and vacation, employees on Temporary Recall will be set up in the system based on their respective layoff/recall circumstances. This will include the reactivation of unused but earned credits and the generation of future benefits consistent with standard policies. Voluntary Investment Plan contributions may be resumed, beginning on the first of the month following recall.

7. Company service will be earned beginning the first day back on the active payroll.

8. Active layoff status will not be interrupted. Filing requirements once during each half year for first consideration recall status will remain.

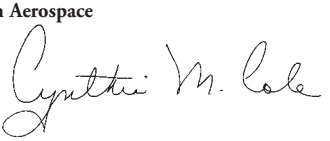
9. Employees on Temporary Recall will not receive a retention rating based on Temporary Recall assignments.

10. Employees on Temporary Recall will generate funds for a selective adjustment exercise if they meet contractual criteria.

11. Employees on Temporary Recall will not be eligible for layoff benefits when their Temporary Recall assignment ends.

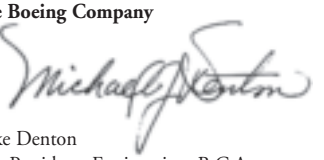
Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 10
RELATING TO JOINT BENEFITS DISCUSSION GROUP

The Company and the Union are committed to ensuring that employees have access to cost effective, quality health care coverage. Because of their ongoing concern about the quality of health care and costs, the parties agree to continue their Joint Benefits Discussion Group. The group will have an equal number of representatives, including a co-chair, from each party. When appropriate, health care experts and representatives from the Company's health plans will be invited to attend group meetings. Each party may have their benefits consultants and advisors attend group meetings. The group will meet at least twice each year to discuss issues related to the health care program. The group also will meet with health care providers to express the parties' interest in obtaining quality health care at affordable prices. Among the topics the parties will consider and discuss are:

- Medical Plan experience, costs and trends.

- Cost management programs, health plan and health care provider accountability for quality and efficiency .as well as prescription drug initiatives.

- Measurement tools for evaluating health plans, including accreditation from a nationally recognized group such as the National Committee for Quality Assurance (NCQA).

- Benchmark data from other employers.

- Promotion of patient safety, care management and wellness initiatives designed to improve the health of employees and thereby reduce overall medical costs with the understanding that such health care initiatives will embrace certain medical plan design principles.

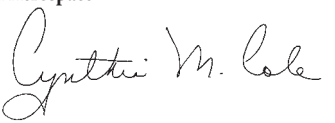
- Roth 401(k) and investment fund options.

The Company agrees to share the interest of this Group relative to these issues.

Other benefit issues including Article 15, Voluntary Investment Plan and Article 17, Retirement Plan, may be discussed from time-to-time at the request of either party.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

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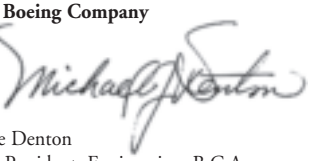
By 

Mike Denton
Vice President, Engineering, B.C.A.

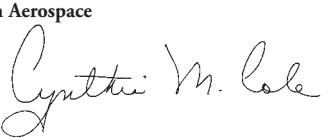
LETTER OF UNDERSTANDING NO. 11
RELATING TO PART-TIME EMPLOYMENT

The Company and the Union agree that employee requests to be placed on part-time work schedules to assist employees with personal concerns may be authorized when compatible with Company schedules. The term "part-time work schedule" shall mean a work schedule consisting of a seven-day cycle with fixed days and hours of work that are less than forty (40) hours over one regular workweek, or a fourteen-day cycle with fixed days and hours of work that are less than eighty (80) hours over two regular workweeks that is not a Category II Work Schedule. No minimum or maximum number of hours will be required, but fixed days and hours of work must be established. A part-time work schedule must be approved by the employee's immediate and second-level management and is applicable only to the particular position the employee occupies when the schedule is approved. Approval of a part-time work schedule is subject to revocation at any time. Management may request an employee on a part-time work schedule to return to work on a full-time basis regardless of the employee's retention rating when part-time work is no longer appropriate.

Employees on part-time work schedules will be subject to all provisions of the Agreement and the provisions of PRO-522.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
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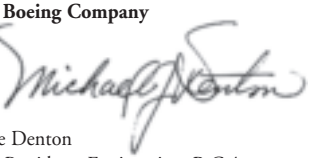
By 

Mike Denton
Vice President, Engineering, B.C.A.

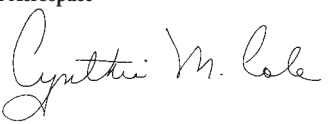
LETTER OF UNDERSTANDING NO. 12
RELATING TO JOINT COMPENSATION DISCUSSION GROUP

The parties enter this letter of understanding to express their intent to continue their joint compensation discussion group.

The discussion group shall meet no less than annually during the term of this Agreement. Subjects for discussion may include the Company's compensation philosophy, market relationships, and the salary planning process. It is understood that the group is established solely for purposes of discussion, and that the group is not a forum for making recommendations or seeking agreement. Group discussions shall not reopen the parties' Agreement or affect Article 2 thereof.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 13
RELATING TO SHAREVALUE PROGRAM

The Company and the Union agree that all eligible represented employees may participate in the Boeing ShareValue Program (also known as the ShareValue Trust) for the duration of this Agreement. The parties agree that the Company's success depends upon the ability to return long-term value to the shareholders. The intent of this incentive program is to help inform employees about what makes a business run and produces shareholder value, and to allow employees to share in the results of their efforts to increase shareholder value.

Employees will be eligible to participate in accordance with the governing provisions of the ShareValue Program as set forth in the official Program documents. In the event of any conflict between this Letter of Understanding and the official ShareValue program documents, the official ShareValue Program documents will prevail in every case.

Eligible participants will proportionally share in a ShareValue Program distribution based on the number of months they were eligible to participate during any investment period falling within the term of this Agreement or any preceding Agreement that provided for their participation in the ShareValue Program. If the ShareValue Program is continued beyond its current termination date, all eligible bargaining unit employees may continue to participate.

Dated: December 2, 2008

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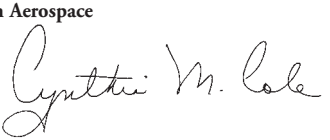
By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 14
RELATING TO VIRTUAL OFFICE/TELECOMMUTING

The parties enter into this Letter of Understanding as a result of the implementation of the Virtual Office/Telecommuting Program. Following is a summary of the general provisions of this Program as they apply to exempt and non-exempt SPEEA-represented employees.

Telecommuting or "Work at Home" and other aspects of the Virtual Office have proven to be a viable work option that, when appropriately applied, benefit both the Company and the individual. The Virtual Office provides a balance between the tasks that are the responsibility of each individual and the requirements of each team and group.

The Virtual Office is a cooperative agreement between the manager and the employee, not an entitlement, and is based on (1) the needs of the job assignment, work group and the Company, and (2) the employee's past and

present levels of performance and defined personal characteristics. Participation in the Virtual Office Program is entirely voluntary and may be terminated by the employee, his/her manager, or the Company at any time.

The employee's duties, obligations, responsibilities and conditions of employment with the Company remain unchanged. Employees remain obligated to comply with all Company rules, policies, practices and instructions. The detailed terms and conditions of this Program are covered in the Virtual Office Program procedure, PRO-497, which is subject to change at the Company's discretion. Disputes concerning the content of this Letter of Understanding shall not be subject to the grievance and arbitration procedure of Article 3. Nothing in this Letter waives any rights reserved in Article 2.

Dated: December 2, 2008

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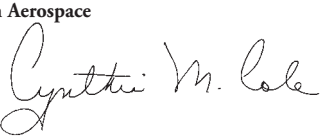
By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 15
RELATING TO THE TRAVEL CARD PROCESS

The Company and the Union enter this Letter of Understanding to memorialize their agreement to continue to monitor the process of paying business travel expenses and their ongoing mutual commitment for improvements in the same.

The parties agree to continue their joint committee, consisting of two representatives each from the Company and the Union. The purpose of the committee is to review issues, suggest short term and long term process improvements, and address any concerns with the process. The committee will, through mutual agreement, recommend solutions to the Company's travel card process owners (currently Shared Services Travel Accounting/Finance Group). The committee will meet upon request of either party.

The terms and conditions of the travel card process as described by the Company and the travel card provider will apply to employees covered by this Agreement. The Company will notify the Union of any changes to the travel card process. Employees will not be required to pay the travel card company for late fees when such fees are incurred due to situations outside the employee's control, or if the employee has made a good faith effort to pay the travel card company or resolve disputed payments in a timely fashion. Any dispute over the imposition of late fees will be subject to Article 3. In addition to the terms and conditions defined by the Company, the following provisions continue to apply to the travel card process:

1. Employees will not be required to pay the card company for authorized business expenses before receiving payment from Travel Accounting so long as the delay in receiving that payment is due to the Company's neglect of factors outside the employee's control.

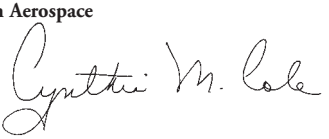
2. Payment delinquencies will not be reported to a credit bureau.

3. Authorized management may exempt employees who engage in extensive/frequent travel or for whom special circumstances exist from the decentralized billing process. Any employee shall be free to request an exemption.

4. The Company will take reasonable steps to preserve the confidentiality of the employee's personal and financial information related to the use of the travel card, and will use such information only for legitimate business reasons. Such information will not be used for solicitations for activities not related to company travel.

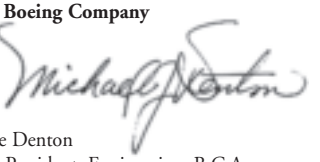
Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 16
RELATING TO FREQUENT FLIER MILEAGE

The Company agrees that frequent flier mileage for business travel will be credited to personal employee accounts and may be applied towards personal travel. Employees must continue to comply with Company directives and Boeing Travel Office procedures including those designed to minimize travel-related costs without regard to frequent flier mileage program considerations.

Dated: December 2, 2008

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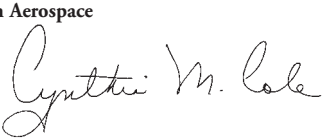
By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 17
RELATING TO SPEEA ACCESS TO THE BOEING WEB

The parties hereby agree that SPEEA shall have access to the Boeing internal Web page. To that effect, the parties agree as follows:

1. SPEEA shall maintain the confidentiality of all information, data and computer programs ("Information Assets") to which SPEEA has access, along with any passwords or access procedures given to facilitate access to "authorized SPEEA users".

2. SPEEA shall only access the Information Assets specified by the Boeing Computing Access Focal Point, and then only in accordance with the access procedures.

3. SPEEA shall not access any other Information Assets not approved by the Boeing Computing Access Focal Point.

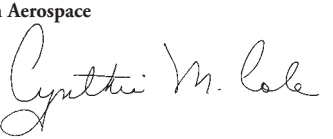
4. SPEEA shall not remove any Information Assets from Boeing computing systems, or delete, change or otherwise modify any Information Assets.

5. Access to Information Assets marked "Boeing Limited" or bearing Government classified markings is strictly prohibited.

The Company may re-evaluate access at any time. Any decision by the Company to withdraw access shall not be subject to the provisions of Article 3.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 18
RELATING TO SALARY REVIEW CONSIDERATION
UPON RETURN FROM LEAVE OF ABSENCE

The parties enter this Letter of Understanding to address the subject of consistency in salary review decisions for employees returning to work from approved leave of absence.

The Company agrees to develop a process to provide a consistent review of employees' salaries as they return to work from approved leave of absence, giving consideration to various factors, such as peer review, additional experience and education obtained, and other factors as deemed appropriate. The returning salary will include any contractual minimum increases paid during the time the employee was on an approved leave of absence, not to exceed three (3) years.

Dated: December 2, 2008

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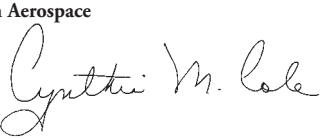
By 

Cynthia Cole
President

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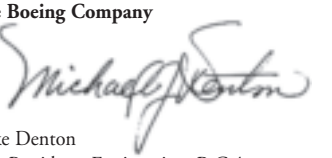
By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 19
RELATING TO RETRAINING SKILL TRANSITION

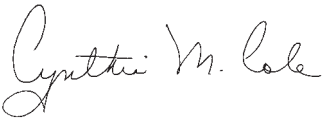
Employees selected by management to participate in a program of formal training in a field outside their current job family and SMC, which training is conducted or approved by the Company, and employees who at management's request transfer from one major functional area to another for a Company-sponsored skill transition and retraining program, will be assigned a unique SMC upon entering the training program or upon transfer to the new functional area respectively. The trainee shall retain this unique SMC for a period of six months following completion of training or transfer to the new functional area, as the case may be, in order to allow time for the trainee to demonstrate his/her adaptability to the new assignment. During the period in which the trainee is assigned the unique SMC, he or she will retain the retention rating held at the time of assignment to the unique SMC.

In the event a surplus is declared in the trainee's new assignment and if the trainee's retention rating would cause him or her to be an individual surplused, the trainee will be returned for assignment to an area under his or her last held regular assigned job classification and SMC and the retention rating of record.

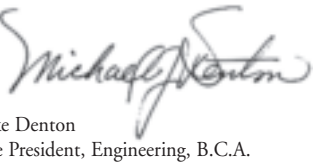
Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

The Boeing Company

By 

Cynthia Cole
President

By 

Mike Denton
Vice President, Engineering, B.C.A.

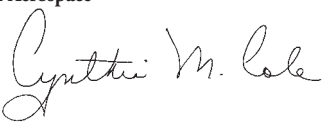
LETTER OF UNDERSTANDING NO. 20
RELATING TO TECHNICAL EXCELLENCE PROGRAM

The Company agrees to maintain a Technical Excellence Program for the purpose of recognizing individuals who have developed a high level of technical skill and a work history of outstanding technical accomplishments. The Company will maintain the standards and criteria to be used to identify such individuals, and the recognition to be accorded them. The Company will give consideration to the Union's views on said standards, criteria, and recognition.

Claims that employees are qualified for recognition in the Technical Excellence Program shall not be subject to Article 3.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 21
RELATING TO EMPLOYEE INCENTIVE PLAN

Eligible employees covered by this Agreement may participate in The Boeing Company Employee Incentive Plan ("EIP") for the duration of this Agreement as set forth below and subject to this Letter of Understanding and the terms of the EIP.

Employees will be eligible to participate in accordance with the governing provisions of the EIP as set forth in the official plan document. In the event of any conflict between this Letter of Understanding and the official EIP plan document, the official EIP plan document will prevail in every case.

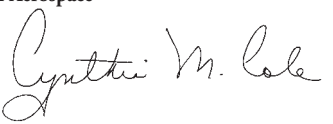
The Board of Directors of the Company reserves the right to amend, modify, or terminate the EIP in its sole discretion. All terms and conditions of the EIP, as it may be amended or modified, will apply.

The Company shall not be required or obligated to provide any information to the Union that the Company determines to be proprietary or confidential, including but not limited to information regarding cost, pricing, and/or other financial information or data. Any information regarding cost, pricing, and/or other financial information or data will be provided at the Company's discretion if the Company deems it necessary or appropriate for Union review. If the Company so determines that such information should be released, the Union and/or its representatives may necessarily be required to execute a confidentiality agreement before such information is released. Any information that is released to the Union and/or its representatives will be held confidential and shall not be utilized by the Union and/or its representatives for any purposes that do not directly relate to the EIP.

Nothing in this Letter of Understanding or employee participation in the EIP will be subject to the grievance and arbitration procedure of Article 3.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 22
RELATING TO JOINT COMMITMENT ON EMPLOYMENT SECURITY

Reductions in employment in Commercial Airplanes have been very painful for everyone involved. The negative effects on both morale and productivity have been substantial. This, along with uncertain economic conditions, has resulted in a great deal of focus on both job security and our future.

SPEEA and the Company understand the impact these issues have had on employees, their careers and Boeing's overall performance. Therefore, we have developed constructive approaches to address them. The foundation of our company's success is the technical workforce, and it is clear that business success starts with commitment to people first. This commitment must be demonstrated by our actions, and our agreement to form a real partnership was an important step forward.

As we know, job security is enhanced by preparing ourselves to compete more effectively in a dynamic, global marketplace. SPEEA and the Company are jointly committed to a number of critical initiatives where we will work together for the mutual success of employees, SPEEA and Boeing. These include:

- Breakthrough improvements in productivity and morale through effective utilization
- Retention and transfer of key knowledge
- Exploring more effective ways to link compensation to productivity
- Improved approaches to increase stabilization of employment levels
- Life-long learning as an investment in our knowledge and skills and an avenue for retraining

As we define and implement these key initiatives, our desire is that we use attrition whenever practical to accomplish any further reductions in employment and avoid layoffs in the future. We are committed to exploring new and innovative approaches to employment transitions. Due to the cyclical nature of our business, it is difficult to predict and control conditions that affect employment levels. Therefore, to the extent practical, the Company will provide job transition support and services to the technical workforce affected by employment reductions through, but not limited to, the following:

- Skills retraining (Ed Wells Partnership).
- Career Transition Services.
- Career Counseling.
- Resume preparation.
- Boeing Enterprise Staffing System (BESS).
- Intellectual capital management.

- Skills management through Process Councils and Skill Teams.
- Partnerships with local educational institutions.
- Financial counseling.
- Medical benefits continuation.
- Income benefits continuation.

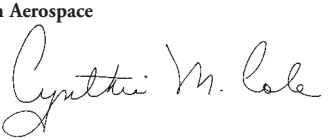
We will continue programs for knowledge retention and transfer and skill retraining to support employees as Boeing transitions over time. We have committed additional funds to the Ed Wells Partnership. We will also commit to continued discussions in our Joint Workforce Committee on these important topics.

Lastly, we will to continue to work together to build a positive and successful future for our company and our team.

Nothing in this Letter of Understanding will be subject to the grievance and arbitration procedure of Article 3.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 23
RELATING TO OVERTIME

It is understood that the authority of the Company to require overtime is necessary for business planning and meeting operational objectives. The parties recognize, however, that the exercise of this authority may affect employee productivity.

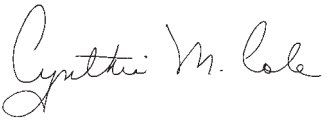
Accordingly, the Company and SPEEA agree, subject to the exceptions noted below, that no employee shall normally be required, and need not be permitted, to work more than 144 overtime hours in any budget quarter, more than two weekends consecutively without the next weekend off, or more than 8 hours on a Saturday or a Sunday. Overtime work on either a Saturday and a Sunday, or a Saturday or a Sunday, shall constitute a weekend worked. All overtime on a holiday as set forth in Section 7.1 of the Agreement or on the weekend which immediately precedes a Monday holiday or immediately follows a Friday holiday shall be voluntary.

All overtime in excess of the above limits shall be strictly on a voluntary basis and no employee shall suffer retribution for refusal or failure to volunteer. An employee may be required to perform overtime work beyond the above limitations where necessary for delivery of Company products to a customer, where necessary for the timely submission of proposals where related to customer-requested emergency repair of delivered products, or for Government DX or Government DO rated orders.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

The Boeing Company

By  By 

Cynthia Cole
President

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 24
RELATING TO EXTENDED TRAVEL / STOPOVERS

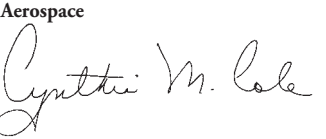
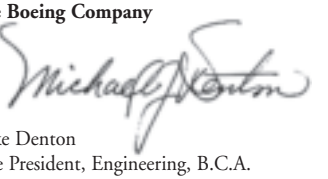
Employees whose scheduled travel is greater than twenty (20) hours shall be permitted to schedule a stopover rest period generally not to exceed twelve (12) hours, before continuing travel on the next available flight. In lieu of a stopover, the employee will be allowed ten (10) hours between the time of arrival at the destination and the time they report to work. Exceptions to this provision may be made at management's discretion when management determines the trip to be an urgent travel requirement (e.g. AOG situations).

Employees returning home from a travel assignment where the scheduled travel is greater than twenty (20) hours will be allowed twelve (12) hours between time of arrival at the home terminal, and the start of their next regular shift assignment. Employees will be granted time off with pay for any unworked portion of their assigned shift that falls within this twelve-hour period provided they report for work; except that, where the twelve-hour period extends beyond the end of the employee's regularly scheduled lunch period, the employee will not be required to report for work and will be paid for the entire shift.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

The Boeing Company

By  By 

Cynthia Cole
President

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 25
RELATED TO THREAT OF VIOLENCE

In Threat of Violence (TOV) cases, where an employee is removed from the workplace, the company commits that the subject employee will not be without pay for more than two (2) calendar weeks.

Should the investigation/evaluation period extend beyond the two (2) calendar week period, the employee will be paid at their normal base rate for such time.

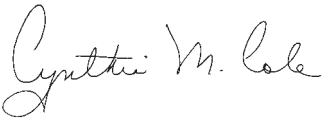
The company retains the right to administer corrective action if appropriate. Time in no-pay status shall not normally exceed the corrective action period.

The Company remains committed to work with the Union in an effort to minimize the amount of time employees would be off work without pay during the investigative/evaluation period. Accordingly, the company commits to notify SPEEA within 24 hours of a member being removed from the workplace for a TOV case.

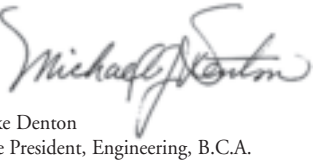
Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

The Boeing Company

By 

Cynthia Cole
President

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 26
RELATING TO SEX CRIMES

The Company and the Union recognize (1) the growing awareness and abhorrence in our society of sex crimes victimizing children, and (2) the deleterious effect the presence in the workforce of perpetrators of such crimes would have on the efficiency and morale of professional/engineering and technical employees of the Company and on the reputation of the Company and its products. The parties therefore agree as follows:

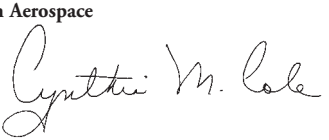
1. Any discipline or discharge of a Union-represented employee who has committed a sex crime victimizing a child or children shall be deemed to be for "just cause" and shall not be subject to the grievance and arbitration provisions of the parties' collective bargaining agreements or to any other challenge or proceeding by the Union.

2. For purposes of this Letter of Understanding, the term "sex crime victimizing a child or children" includes rape, sexual assault, statutory rape, incest, child molestation, child pornography, public indecency, indecent exposure, indecent liberties, communications with a minor for immoral purposes, promoting prostitution, and similar crimes as defined in the jurisdiction in which the offense is committed, where the victim of said crime(s) is under the age of 18 years at the time of the commission of the crime(s). An employee shall be considered to have committed such a crime if the employee is convicted of the crime, or if the employee pleads guilty or nolo contendere to the crime, or if the employee enters a special supervision program pursuant to a deferred prosecution arrangement relating to the crime.

3. The provisions of this Letter of Understanding shall not be deemed to define "just cause" or to affect the grievance and arbitration provisions in any other respect whatsoever, nor shall it be introduced or relied upon in any arbitration or other proceeding involving the parties which does not deal with the discipline or discharge of an employee who has committed a sex crime victimizing a child or children.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By 

Cynthia Cole
President

The Boeing Company

By 

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 27
RELATING TO HEALTH AND INSURANCE PLAN YEAR CHANGE

Effective January 1, 2010, the plan year for health and insurance benefits will change from July 1 to January 1. In order to transition to the new plan year, the Company will establish a 6 month plan year from July 1, 2009, through December 31, 2009. For the six (6) month plan year, the following changes for medical and dental benefits will apply:

- **Deductible**

  - The employee will be responsible for half of the annual deductible that applies to individual and family for the 6 month plan year.

- **Out-of-pocket maximums** (applies to medical only)

  - The maximum out-of-pocket expenses for individual and family will be reduced to half for the 6 month plan year.

If the plan that the employee is enrolled in does not have a deductible or out-of-pocket expenses, the benefits paid from July 1, 2009, through December 31, 2009, will not be impacted. All other benefit levels will be paid accordingly.

Effective January 1, 2010, all benefit levels will reset.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By

Cynthia Cole
President

The Boeing Company

By

Mike Denton
Vice President, Engineering, B.C.A.

LETTER OF UNDERSTANDING NO. 28
RELATING TO AOG ASSIGNMENTS

Boeing Commercial Airplane Group employees on emergency field assignments relating to airplane on ground (AOG) involving overnight travel from their home location to a location where the Company has not established an operation, and when such travel is covered by the Company's Business Travel procedures, shall not be subject to the provisions of Section 11.5(e) and 11.5(f).

The employee's work schedule status will be as follows:

(1) No shift identification will be assigned.

(2) Monday through Friday will be designated as regular workdays.

(3) Saturday will be designated as the first day of rest and Sunday will be designated as the second day of rest.

Wage payment basis will be as follows:

(1) The employee shall receive at least eight hours pay for each regular workday on which the employee works or is available for work.

(2) The employee's regular rate shall include his or her base rate plus a weekend premium rate of $3.00 per hour.

(3) For time worked in excess of 40 through 52 compensated hours in a workweek on other than a second day of rest, the employee shall be paid one and one-half times his or her base rate. For time worked in excess of 52 compensated hours in a workweek, the employee shall be paid at double his or her base rate.

(4) For time worked on the second day of rest and in excess of 40 compensated hours in a workweek, the employee shall be paid at double his or her base rate.

(5) For Company holidays which occur during a travel assignment employees shall receive eight hours' holiday pay, and in addition, for time worked on a holiday, the employee shall be paid at his or her regular rate for twice the hours worked.

The following telephone and laundry allowance will be authorized:

(1) An employee will be authorized to telephone his home at Company expense in accordance with applicable Company policy. Where available, the Company's BTN system will be used. When necessary to use conventional long-distance service, the employee will be reimbursed for the cost of the call, provided the call is of reasonable duration.

(2) An employee on a travel assignment will be reimbursed for the cost of any laundry service which is reasonable and necessary in accordance with applicable Company policy.

Employees returning from such a travel assignment will be allowed twelve hours between time of arrival at the home terminal, or clearance from U.S. Customs at the home terminal in the case of employees returning from international locations, and the start of their next regular shift assignment. Employees will be granted leave with pay for any unworked portion of their assigned shift which falls within this twelve-hour period provided they report for work at the applicable time so described in this provision. Exception to the above provision will be in the case where the twelve-hour period extends beyond the end of the employee's regularly scheduled lunch period, in which case the employee will not be required to report for work and will be paid for the entire shift.

Employees on intercontinental travel assignments for which time enroute exceeds twelve continuous hours will not be required to work their regular shift on the date of departure and will receive a minimum of eight hours pay for that day. When travel time enroute to a customer work location exceeds twelve continuous hours, a minimum of twelve hours rest will be provided prior to beginning work whenever possible within customer required schedules.

Dated: December 2, 2008

Society of Professional Engineering Employees in Aerospace

By

Cynthia Cole
President

The Boeing Company

By

Mike Denton
Vice President, Engineering, B.C.A.

APPENDIX A
HOLIDAY SCHEDULE

2008

Holidays		Date of Observance
Winter Break	Wednesday	December 24, 2008
Winter Break	Thursday	December 25, 2008
Winter Break	Friday	December 26, 2008
Winter Break	Monday	December 29, 2008
Winter Break	Tuesday	December 30, 2008
Winter Break	Wednesday	December 31, 2008

2009

Holidays		Date of Observance
New Year's Day	Thursday	January 1, 2009
Memorial Day	Monday	May 25, 2009
Independence Day	Friday	July 3, 2009
Labor Day	Monday	September 7, 2009
Thanksgiving Day	Thursday	November 26, 2009
Day following Thanksgiving	Friday	November 27, 2009
Winter Break	Thursday	December 24, 2009
Winter Break	Friday	December 25, 2009
Winter Break	Monday	December 28, 2009
Winter Break	Tuesday	December 29, 2009
Winter Break	Wednesday	December 30, 2009
Winter Break	Thursday	December 31, 2009

2010

Holidays		Date of Observance
New Year's Day	Friday	January 1, 2010
Memorial Day	Monday	May 31, 2010
Independence Day	Monday	July 5, 2010
Labor Day	Monday	September 6, 2010
Thanksgiving Day	Thursday	November 25, 2010
Day following Thanksgiving	Friday	November 26, 2010
Winter Break	Friday	December 24, 2010
Winter Break	Monday	December 27, 2010
Winter Break	Tuesday	December 28, 2010
Winter Break	Wednesday	December 29, 2010
Winter Break	Thursday	December 30, 2010
Winter Break	Friday	December 31, 2010

2011

Holidays		Date of Observance
New Year's Day	Monday	January 3, 2011
Memorial Day	Monday	May 30, 2011
Independence Day	Monday	July 4, 2011
Labor Day	Monday	September 5, 2011
Thanksgiving Day	Thursday	November 24, 2011
Day following Thanksgiving	Friday	November 25, 2011
Winter Break	Friday	December 23, 2011
Winter Break	Monday	December 26, 2011
Winter Break	Tuesday	December 27, 2011
Winter Break	Wednesday	December 28, 2011
Winter Break	Thursday	December 29, 2011
Winter Break	Friday	December 30, 2011

2012

Holidays	**Date of Observance**
New Year's Day	Monday, January 2, 2012
Memorial Day	Monday, May 28, 2012
Independence Day	Wednesday, July 4, 2012
Labor Day	Monday, September 3, 2012

APPENDIX B

SPEEA Technical Unit Classifications and Levels

Occupation		Job Family		Level								
6B	Electronic & Electrical Engr	1F	EE Technical Designer	1	2	3	4	5				
6D	Engr Product Lifecycle Mgmt	2C	Engr Technical Specialist	1	2							
6D	Engr Product Lifecycle Mgmt	2D	Engr Technical Support Tech	1	2	3	4	5				
6D	Engr Product Lifecycle Mgmt	2G	Product Data Mgmt Support	1	2	3	4					
6E	Flight Engineering	3J	Aerodynamics Technical Analyst	1	2	3	4	5				
6E	Flight Engineering	3K	Propulsion Technical Analyst	1	2	3	4	5				
6E	Flight Engineering	3L	Weight & Balance Tech Analyst	1	2	3	4	5				
6E	Flight Engineering	3M	Acoustics Technical Analyst	1	2	3	4	5				
6E	Flight Engineering	3N	Airport Analysis Tech Analyst	1	2	3	4	5				
6E	Flight Engineering	3P	Weight Operations Tech Analyst	1	2	3	4	5				
6F	Materials, Process & Physics	4C	MP&P Technical Analyst	1	2	3	4	5				
6F	Materials, Process & Physics	4D	MP&P Laboratory Technician	1	2	3	4	5				
6G	Mechanical & Structural Engr	5E	Technical Design	1	2	3	4	5				
6G	Mechanical & Structural Engr	5F	Technical Analysis	1	2	3	4	5				
6H	Def - Ops Integr & Supt Engr	6E	Product Review Technician			3	4	5				
6H	Def - Ops Integr & Supt Engr	6F	Numerical Control Programmer	1	2	3	4	5				
6H	Def - Ops Integr & Supt Engr	6G	Manufacturing Planner	1	2	3	4	5				
6H	Def - Ops Integr & Supt Engr	6K	Tool Designer	1	2	3	4	5				
6J	Software Engineering	7C	Software Technical Analyst	1	2	3	4	5				
6K	Systems Engineering	8D	Systems Engr Support Analyst	1								
6K	Systems Engineering	8E	Systems Engineering Technician	1	2	3	4	5				
6L	Test & Evaluation Engineering	9C	Test & Evaluation Lab Tech	1	2	3	4	5				
6L	Test & Evaluation Engineering	9D	Test & Eval Tech Svcs Spec	1	2							
8A	Facilities	FU	Facilities Technical Designer	1	2	3	4	5				
8A	Facilities	RN	Proof-Load Test Technician						A	B	C	
DA	Manufacturing	RU	Manufacturing Change Mgt Spec	1	2	3	4					
DA	Manufacturing	SD	Flight Analyst				4					
DF	Industrial Engineering	KD	Methods Proc Analy	1	2	3	4	5				
DF	Industrial Engineering	KF	Mfg Scheduler	1	2	3	4	5				
EC	Production Control	BX	Tool Coordinator	1	2	3	4					
ED	Transportation	RM	Packaging and Shipping Planner						A	B	C	D
GB	Engr & System Support Analysis	A5	System Support Tech Specialist	1	2	3	4					
GB	Engr & System Support Analysis	A7	Maintenance Program Analyst	1	2	3	4	5				
GB	Engr & System Support Analysis	A8	Maintenance Analyst	1	2	3	4	5				
GB	Engr & System Support Analysis	A9	Ground Support Analyst	1	2	3	4	5				
GB	Engr & System Support Analysis	B2	Provisioning Specialist	1								
GD	Technical Publications	B7	Technical Data Designer	1								
GD	Technical Publications	B8	Publication Development Spec	1	2	3	4					
GD	Technical Publications	C1	Tech Pub Structure Tech Spec		2	3	4	5				
GD	Technical Publications	C2	Tech Pub Analyst						A	B	C	D
GD	Technical Publications	C3	Technical Illustrator						A	B	C	D
GD	Technical Publications	C4	Technical Pub Editor						A	B	C	D
GF	Retrofit, Repair, Mods & Maint	D3	Retrofit & Repair Tech Spec	1								
GG	Customers Training	E7	Multimedia/Graphics Developer	1	2	3	4					
GJ	Engineering Customer Support	F3	Service Technician	1	2	3	4	5				
GK	Flight Operations Services	F7	Flight Data Tech Specialist	1								
GK	Flight Operations Services	F8	Flight Ops Technical Analyst	1	2	3	4					
GL	Integt Supt Planning & Mgmt	G4	Integrated Support Specialist	1								
JA	Quality	CE	Quality Test Specialist	1	2	3	4	5				
JA	Quality	CF	Quality Production Spclst	1	2	3	4					
JA	Quality	CU	NDT Quality Test Specialist	1	2	3	4	5				

Occupation		Job Family		Level								
JA	Quality	SB	Records Accountability Analyst						A	B	C	
UA	Administrative Services	MG	Intern - Technical Designer						A			
UA	Administrative Services	NW	Intern-Student Engineer						A			

Group Benefits Package for Employees Represented by SPEEA

Health and Insurance Plans
ATTACHMENT A

November 14, 2008

ATTACHMENT A

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ELIGIBILITY

Eligible Employees

You are eligible for the Package if you are an active Boeing employee represented by a Society of Professional Engineering Employees in Aerospace Collective Bargaining Agreement. You are not eligible to enroll if you are working in a capacity that, at the sole discretion of the plan administrator, is considered contract labor or independent contracting. Notwithstanding this provision, individuals represented under a Society of Professional Engineering Employees in Aerospace Collective Bargaining Agreement will be considered by the Company to be employees.

Eligible Dependents

Dependents eligible for the medical and dental plans are your legal spouse (as recognized under both applicable state law and the Internal Revenue Code) and children (natural children, adopted children, children legally placed with you for adoption, and stepchildren) who are under age 25, unmarried, and dependent on you for principal support.

You may request coverage for the following dependents:

- An opposite-gender common-law spouse if the relationship meets the common-law requirements for the state where you entered into the common-law relationship.

- A same-gender domestic partner if:

  You and your partner live in the same permanent residence in a permanent, exclusive, emotionally committed, and financially responsible relationship similar to a marriage.

  Your partner is at least 18 years old, is not related to you by blood, is not married to or separated from another person, and is not involved in another domestic partner relationship.

  Your domestic partner relationship is not solely to obtain coverage under the Plan.

  A same-gender domestic partner is considered a spouse for the purpose of the medical and dental plans.

  Some states have laws that require insured health plans to offer coverage for certain registered domestic partners.

- Unmarried children of your same-gender domestic partner who are under age 25 and dependent on you for principal support. These children are considered stepchildren for the purpose of the medical and dental plans.

- Other children, as follows, who are under age 25, unmarried, and dependent on you for principal support:

  Children who are related to you either directly or through marriage (e.g., grandchildren, nieces, nephews).

  Children for whom you have legal custody or guardianship (or for whom you have a pending application for legal custody or guardianship) and are living with you.

Proof of dependent eligibility will be required.

In accordance with Federal law, the Company also provides medical and dental coverage to certain dependent children (called alternate recipients) if the Company is directed to do so by a qualified medical child support order (QMCSO) issued by a court or state agency of competent jurisdiction.

Documentation is required to request coverage for dependents, including a child named in a QMCSO, a child for whom you have been given legal custody or guardianship, a spouse, or a same-gender domestic partner and his or her children. You must provide the Boeing Service Center with any supporting documentation by the date specified by the Boeing Service Center or your request will be denied.

Special Provisions When Family Members Are Boeing Employees

If your spouse, same-gender domestic partner, or dependent child is employed by Boeing and eligible for any type of benefit plan offered by Boeing, your dependent must be covered separately under the plan or plans available to that person.

No person may be covered both as an employee (active or retired) and as a dependent under any type of plan offered by Boeing, and no person will be considered a dependent of more than 1 employee. Eligible dependents do not include other Boeing employees covered under any Company-sponsored plan providing medical, vision care, prescription drug, dental, or similar services. However, if your spouse is a part-time Boeing employee, retired, on approved leave of absence or layoff, or an employee of a subsidiary company, your spouse and eligible dependent children are considered eligible dependents if other Boeing coverage is waived. If you and your spouse both are Boeing employees and have dependent children, you both may elect medical and dental coverage for eligible children under 1 parent's plans. As an alternative, parents may elect medical coverage for eligible children under 1 parent's plan and dental coverage under the other parent's plan. In either case, all eligible children must be enrolled in the same medical plan and the same dental plan (except as required by a QMCSO). The same provisions apply to a same-gender domestic partner and his or her children.

Disabled Children

A disabled child age 25 or older may continue to be eligible (or enrolled if you are a newly eligible employee) if a physician documents that the child is incapable of self-support due to any mental or physical condition that began before age 25. You may be required to confirm the disability from time to time. The child must be unmarried and dependent on you for principal support. Coverage may continue under the medical and dental plans for the duration of the incapacity as long as you continue to be enrolled in the plans and the child continues to meet these eligibility requirements.

Special applications for coverage are required for disabled dependent children age 25 or older.

ENROLLMENT

Life and Disability Plans

You automatically are enrolled in the Life Insurance Plan, AD&D Plan, and Short-Term Disability Plan when eligible. You may designate a beneficiary for life and accident benefits through the Boeing Service Center.

Medical Plans

In designated locations, the Company provides you with a choice of medical plans.

You receive enrollment instructions at the time of employment and may elect medical coverage under 1 medical plan available in your location by the date indicated on the enrollment worksheet. You and all your eligible dependents must be enrolled in the same medical plan, except as specified in Eligibility.

- If you do not enroll in a medical plan by the date indicated on the enrollment worksheet, you will be enrolled automatically in the Traditional Medical Plan for employee-only coverage.

- You are not required to provide a Certificate of Creditable Coverage in order to enroll in the medical plans because Boeing medical plans do not exclude coverage for pre-existing conditions.

- For your spouse or same-gender domestic partner, you must provide information regarding coverage available through another employer to determine whether or not special contributions

are required to enroll him or her. If you do not authorize a required contribution, he or she will not be enrolled for medical coverage. You will not be able to enroll your spouse or same-gender domestic partner until the earlier of:

- The next annual enrollment period.
- The date your spouse or same-gender domestic partner loses the option to be covered under the other employer-sponsored medical plan.

The Company will require periodic verification of data.

Dental Plans
In designated locations, the Company provides you with a choice of dental plans. You receive enrollment instructions at the time of employment and may elect dental coverage under 1 dental plan available in your location by the date indicated on the enrollment worksheet.

If you do not enroll in a dental plan by the date indicated on the enrollment worksheet, you will be enrolled automatically in the Preferred Dental Plan for employee-only coverage.

Annual Enrollment Period
The Company establishes an annual enrollment period on or before January 1 each year when you may change medical and/or dental plans.

Special Enrollment
If you declined coverage in the medical or dental plans for yourself and/or your eligible dependents when you were first eligible because you or your dependents had other health care coverage, you may enroll yourself and/or your eligible dependents if you or your dependent experiences one of these special enrollment events:

- You or your dependent loses or becomes ineligible for other health care coverage because of an event such as loss of dependent status under another health care plan (through divorce, legal separation, termination of a same-gender domestic partnership, or dependent child reaching the limiting age), death, termination of employment, reduction in hours of employment, termination of employer contributions toward the coverage, elimination of coverage for the class of similarly situated employees or dependents, moving out of the plan's service area with no other coverage available from the other health care plan, or reaching the lifetime limit on all benefits under the other health care plan. If you or your dependent reaches the lifetime limit under a Company plan, and you are eligible for another Company plan in your area, you and your dependents may enroll in that other plan.
- You or your dependent exhausts any continuation coverage from another employer; that is, coverage provided under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), ends.
- You gain a new dependent because of marriage, entering a same-gender domestic partnership, birth, adoption, or placement for adoption.

Note: For this purpose, "other health care coverage" does not include coverage through Medicare or Medicaid.

If you experience a special enrollment event, you can enroll yourself and/or your eligible dependents in a medical and/or dental plan as described above. You can enroll in any family status tier and any health plan option available to you.

Special enrollment is not available if you lose coverage because of failure to make timely premium payments or termination from the plan for cause (such as for making a fraudulent claim).

If you decline enrollment in the medical and dental plans because of other employer-sponsored health care coverage (such as through a spouse's employer), you may be able to enroll yourself and eligible dependents in the Company-sponsored medical and dental plans during the year as long as enrollment is within 60 days after other coverage ends.

If you have a new dependent as a result of marriage, entering into a same-gender domestic partner relationship, birth, adoption, or placement for adoption, you may enroll the new dependent during the year as long as enrollment is requested within 120 days after the qualified event.

Qualified Status Changes

If you experience one of the qualified status changes listed below, you may be able to enroll in medical or dental coverage, change your current coverage, or drop your coverage midyear. Any change to your coverage must be consistent with the status change that affects your or your dependent's eligibility for Company-sponsored health care coverage or health care coverage sponsored by your eligible dependent's employer. Qualified status changes include the following events:

- You marry, divorce, or become legally separated, or the marriage is annulled.
- You enter into or dissolve a same-gender domestic partner relationship.
- You acquire a new, eligible dependent child, such as by birth, adoption, or placement for adoption.
- Your spouse or same-gender domestic partner or dependent child dies.
- You or your spouse or same-gender domestic partner or dependent child starts or stops working.
- You or your spouse or same-gender domestic partner or dependent child has any other change in employment status that affects eligibility for coverage such as changing from full time to part time (or part time to full time), salaried to hourly (or hourly to salaried), strike or lockout, a transfer between a nonunion salaried position and a union-represented position, or beginning or returning from an unpaid leave of absence, including an approved leave of absence in accordance with the Family and Medical Leave Act.
- You or your spouse or same-gender domestic partner or dependent child experiences a significant increase in the cost of employer-sponsored health care coverage or the employer-sponsored health care coverage ends, including expiration of COBRA coverage.
- The Company adds a new benefit option or significantly improves an existing benefit option.
- You or your spouse or same-gender domestic partner or dependent child experiences a significant curtailment or cessation of employer-sponsored health care coverage.
- You or your spouse or same-gender domestic partner or dependent child becomes eligible or ineligible for Medicare or Medicaid.
- Your dependent child becomes eligible for, or no longer is eligible for, health care coverage due to age limits, principal support status, or a similar eligibility requirement.
- You or your spouse or same-gender domestic partner or dependent child makes an enrollment change in his or her employer-sponsored health care coverage, either because of a qualified change in status or an annual enrollment.
- You or your spouse or same-gender domestic partner or dependent child changes place of residence or work, affecting access to care within the current plan or access to network providers.

- You are transferred to a different division, affecting eligibility for benefits under Company-sponsored health care plans.

- You or your spouse or same-gender domestic partner or dependent child loses coverage under a group health plan sponsored by a governmental or educational institution.

You also may change an election to comply with a qualified medical child support order (QMCSO) to provide or cancel coverage for a dependent child resulting from a divorce, annulment, or change in legal custody.

In most situations, you must request enrollment within 60 days after the qualified event. You can enroll a new dependent within 120 days following your marriage or entering into a same-gender domestic partner relationship or a dependent child's birth, adoption, or placement for adoption. To request enrollment for a new dependent more than 60 days but within 120 days after marriage, entering into a same-gender domestic partner relationship, birth, adoption, or placement for adoption, you must call the Boeing Service Center and speak with a customer service representative. You must provide the Boeing Service Center with any supporting documentation by the date specified by the Boeing Service Center or your request will be denied.

EFFECTIVE DATE OF COVERAGE

Employees
If you are a newly hired employee, the Package becomes effective as follows:

- Medical and dental coverage becomes effective on the first day of the month following your first day of employment.

- Life insurance, AD&D, and short-term disability coverage becomes effective on the first day of the month following your first day of employment, provided you are actively at work on that date.

  Actively at work means you are attending to your normal duties at your assigned place of employment. On a holiday, vacation day, weekend day, or other regularly scheduled day off, actively at work means you are not ill, injured, or otherwise disabled or confined to a hospital or similar institution and are performing the normal activities of a person of your gender and age.

You must be on the active payroll on the first day of the month.

If you are rehired from a layoff within 5 years, are reemployed following uniformed service (and return to work promptly in accordance with Federal law), or return from an approved leave of absence, coverage is effective on the date you return to active employment.

Dependents
Current eligible dependents are covered for medical and dental benefits on the same date your coverage is effective. Eligible dependents acquired after your coverage is effective become covered on the date of marriage or entering into a same-gender domestic partner relationship, date of birth, or date the child is legally placed with you for adoption, if application is made within 120 days of the event. For other newly eligible dependents, coverage is effective on the date dependency is established, if application is made within 60 days.

You authorize required contributions when enrolling eligible dependents.

SHORT-TERM DISABILITY PLAN

The Company provides disability income coverage for you under the Short-Term Disability Plan. You are eligible for a weekly benefit if you become totally disabled as a result of an accidental injury or illness, including a pregnancy-related condition, while covered under this plan.

Benefits

Your benefits under this plan will begin after your disability has lasted 7 consecutive calendar days. After this 7-day waiting period, you will receive a weekly benefit based on your weekly salary in accordance with the schedule of benefits below.

Short-Term Disability Benefit Schedule

Benefit Period	Benefit Amount
Week 1	Waiting period; no benefits paid under the plan.
Weeks 2 through 13	You receive 80% of your weekly salary.
Weeks 14 through 26	You receive 60% of your weekly salary.

Your benefit may be adjusted for other income benefits and rehabilitative employment. There is no minimum or maximum benefit payment under this plan.

Your benefits under this plan will be determined using the weekly salary reflected in the records of the Boeing Service Center for Health and Insurance Plans at the time your disability first begins (called your predisability earnings). If you are a part-time employee regularly scheduled to work more than 19 hours and less than 40 hours per week, your benefits under this plan will be determined using the average weekly salary that you actually earned for the 6 weeks immediately preceding your date of disability.

If you are actively at work and your weekly salary either increases or decreases, your short-term disability benefit amount will change automatically on the first day of the month after or coinciding with the date of the change in your salary. If you are not actively at work on the day the coverage change would become effective, the effective date for your new coverage amount will be delayed until the first day of the month after or coinciding with the day you return to work for 1 full day. Any retroactive change in your weekly salary will not retroactively change your disability coverage amount under this plan. If your period of disability has started, a change in your weekly salary will not change your benefit amount.

Eligibility for Benefit Payments

To be eligible for short-term disability benefit payments, you must be totally disabled; that is, you must be unable to perform the material duties of your regular occupation or other appropriate work the Company makes available and be earning 80% or less of your predisability earnings. You must be under the continuous care of a legally qualified physician throughout your period of total disability. In addition, the service representative may require you to be examined by a physician of its choice as often as is reasonably necessary to verify your continuous total disability.

All determinations of total disability are made by the service representative within the terms of its contract with the Company.

Benefit Payment Period

Benefits begin after a waiting period of 7 consecutive days and continue while you are totally disabled, through the 26th week of disability. Benefits stop when you no longer are disabled, at the end of your maximum benefit period, or when you die.

Separate Periods of Disability

A period of disability ends and benefit payments under this plan stop when you no longer are disabled or you return to work for 1 full day. If you incur a second period of disability, the cause of the second disability and the length of your recovery time between the disability periods will determine whether the second disability is treated as a temporary recovery (that is, a continuation of the first disability claim) or as a separate disability claim.

Your recovery will be considered a temporary recovery if, during the benefit payment period, you cease to be disabled for a total of 60 days or less.

The following provisions apply to periods of temporary recovery:

- Only 1 benefit waiting period applies.
- Your weekly salary used to determine your initial short-term disability benefit does not change.
- No short-term disability benefits are paid for the period of temporary recovery.

Your second period of disability will be considered a separate disability claim if you have returned to work for 1 full day and

- It is due to a different cause than the first disability period, or
- It is due to the same cause or causes but your recovery is longer than 60 days, or
- The first period of disability began before you were covered under this plan.

You must submit a claim for benefits and meet the waiting period requirements before benefits will be paid.

Other Income Benefits

Certain other income benefits that you may be entitled to receive will reduce your weekly benefit from the Short-Term Disability Plan. There is no minimum benefit payment under this plan. You must apply for all other income benefits for which you may be eligible, including Social Security benefits (but excluding retirement benefits).

Your benefits under this plan are reduced by the following sources of income:

- Salary continuation (to the extent combined short-term disability, salary continuation, and other income benefits exceed 100% of predisability earnings).
- Benefits from insured or uninsured disability income plans of any employer, multiemployer or multiple-employer welfare plan, or union welfare plan.
- Benefits from a disability income plan of any state or other jurisdiction.
- Social Security disability or retirement benefits, including primary, spouse, and dependent child benefits.
- Railroad Retirement Act benefits, or other benefits paid under a Federal or state law.
- Workers' compensation benefits.
- No-fault wage replacement benefits paid under a no-fault automobile insurance law.
- Salary, wages, other compensation from any employer, or income from any occupation for compensation or profit, except as described in Rehabilitative Employment below.
- Benefits from group credit or mortgage disability insurance.
- Retirement income benefits from the Company or any Company subsidiaries, except:
  - The portion of any retirement benefit attributable to employee contributions.
  - The portion of any lump-sum distribution attributable to employee contributions.
  - Any retirement benefit you are eligible to receive but elect not to receive.

Other income benefits paid in a lump sum will be allocated over the time period specified in the lump-sum settlement or your life expectancy (as determined by the service representative).

Short-term disability benefit payments will not be reduced for cost-of-living increases in other income benefits.

Short-term disability benefit payments also will not be reduced by benefits from:

- Employer-sponsored thrift, profit sharing, savings, stock ownership, or deferred compensation plans.
- Internal Revenue Code (IRC) Section 401(k) plans, Section 403(b) plans, Section 457 plans, or Keogh (HR 10) plans.
- Individual retirement arrangements (IRAs).
- Individual disability insurance policies.
- Accelerated benefits paid under a life insurance policy.
- Military retirement or disability benefits, unless related to the cause of the current disability.

Rehabilitative Employment

To encourage you to return to gainful employment before you fully recover from your total disability, the plan allows you to receive pay for certain work without a reduction in your plan benefits. During the period you are receiving short-term disability benefit payments, you may earn up to a maximum of 100% of your predisability earnings through a combination of your short-term disability benefits plus earnings from approved rehabilitative employment.

The service representative must approve the rehabilitation program. If the sum of rehabilitative earnings, other income benefits, and short-term disability benefits exceeds your predisability earnings, the excess will be considered other income benefits and will reduce your weekly benefit under this plan.

WHEN AN INJURY OR ILLNESS IS CAUSED BY THE NEGLIGENCE OF ANOTHER—DISABILITY

In some situations, you or a covered dependent may be eligible to receive, as a result of an accident or illness, disability benefits from an automobile insurance policy, homeowner's insurance policy or other type of insurance policy, or from a responsible third party. In these cases, this plan will pay benefits if the covered person agrees to cooperate with the service representative in administering the plan's subrogation rights.

If a person covered by this plan is injured by another party who is legally liable for the medical or dental bills or disability income, he or she may request this plan to pay its regular benefit on his or her behalf. In exchange the covered person agrees to:

- Complete a claim and submit all bills related to the injury or illness to the responsible party or insurer.
- Complete and submit all of the necessary information requested by the service representative.
- Reimburse the plan if he or she recovers payment from the responsible party or any other source.
- Cooperate with the service representative's efforts to recover from the third party any amounts this plan pays in benefits related to the injury or illness, including any lawsuit brought against the responsible party or insurer.

This provision applies whenever you or a covered dependent is entitled to or receives benefits under this plan and is also entitled to or receives compensation or any other funds from another party in connection with that same disability or medical condition, whether by insurance, litigation, settlement, or otherwise. The plan is entitled to such funds to the extent of plan benefits paid to or on behalf of the individual, whether or not the individual has been "made whole," and without regard to any common fund doctrine. This plan may recover such funds by constructive trust, equitable lien, right of subrogation, reimbursement, or any other equitable or legal remedy.

If an individual fails, refuses, or neglects to reimburse the plan or otherwise comply with the requirements of this provision, or if payments are made under the plan based on fraudulent information or otherwise in excess of the amount necessary to satisfy the provisions of the plan, then, in addition to all other remedies and rights of recovery that the plan may have, the plan has the right to terminate or suspend benefit payments and/or recover the reimbursement due to the plan by withholding, offsetting, and recovering such amount out of any future plan benefits or amounts otherwise due from the plan to or with respect to such individual. The plan also has the right in any proceeding at law or equity to assert a constructive trust, equitable lien, or any other equitable or legal remedy or recovery, against any and all persons who have assets that the plan can claim rights to. The plan has the right of first recovery from any judgment, settlement or other payment, regardless of whether the individual has been "made whole," and without regard to any common fund doctrine.

Exclusions
The Short-Term Disability Plan does not cover any disability directly or indirectly caused by:

- Intentionally self-inflicted injury (while sane or insane).
- Committing or attempting to commit an assault, battery, or felony.
- War or any act of war (declared or not declared). The plan does, however, pay for disabilities caused by an act of war while you are traveling on business for the Company.
- Insurrection, rebellion, or taking part in a riot or civil commotion.
- Military duty other than temporary active duty of less than 31 days.

You are not considered to be disabled, and no benefits are paid for, any day you are confined in a penal or correctional institution for conviction of a crime or other public offense.

Definitions
Actively at work means you are attending to your normal duties at your assigned place of employment. On a holiday, vacation day, weekend day, or other regularly scheduled day off, actively at work means you are not ill, injured, or otherwise disabled or confined to a hospital or similar institution and are performing the normal activities of a person of your gender and age.

Physician means a legally qualified, licensed physician, with a course of treatment that is consistent with the diagnosis of the disabling condition and according to guidelines established by medical, research, and rehabilitation organizations.

Predisability earnings for a full-time employee means the amount of salary or wages (including shift, lead, and foreign and domestic pay differentials) you were receiving from the Company on the day before a period of disability started, calculated on a weekly basis. For a part-time employee, predisability earnings are based on the average weekly salary you received from the Company during the 6 weeks immediately preceding your date of disability.

Totally disabled means all of the following conditions apply to you:

- You are disabled as a result of accidental injury or illness (including a pregnancy-related condition).

- As a result, you are earning 80% or less of indexed predisability earnings (as defined above).

- Your accidental injury or illness prevents you from performing the material duties of your regular occupation or other appropriate work the Company makes available.

Weekly salary means your salary, including shift, lead, and foreign and domestic pay differentials, but excluding bonuses, overtime pay, cost-of-living allowances, incentive compensation, or other compensation you receive from the Company or a participating subsidiary. For part-time employees, benefits are determined using the average weekly salary you actually earned for the 6 weeks immediately preceding the disability date. If you have been employed by the Company for fewer than 6 weeks, the plan first figures your pay as if you were full time; your weekly salary is that amount multiplied by a percentage equal to your scheduled weekly hours divided by 40.

LIFE INSURANCE PLAN

The life insurance benefit equals 2-1/4 times your base annual salary, to a maximum of $500,000. Your coverage amount is rounded to the next highest $1,000 if it is not already an even $1,000.

Your life insurance benefit is determined by the annual salary reflected in the records of the Boeing Service Center for Health and Insurance Plans.

If you are actively at work and your annual salary either increases or decreases, your life insurance benefit will change automatically on the first day of the month after or coinciding with the date of the change in your salary. If you are not actively at work on the day the coverage change would become effective, the effective date for your new coverage amount will be delayed until the first day of the month after or coinciding with the day you return to work for 1 full day. Any retroactive change in your annual salary will not retroactively change your life insurance coverage amount under this plan. If your period of permanent and total disability has started, a change in your annual salary will not change your benefit amount.

The total amount is payable in the event of your death from any cause at any time or place while covered. Payment is made in a lump sum or installments to the designated beneficiary. You may change beneficiaries at any time by contacting the Boeing Service Center.

If you become permanently and totally disabled before age 60 and while covered under the plan, the Company will continue to pay the premium for your coverage as long as you remain disabled.

If you become permanently and totally disabled between the ages of 60 and 65 and while covered under the plan, the Company will continue to pay the premium for your coverage until the earlier of:

- Age 65, or

- Your recovery.

AD&D PLAN

AD&D benefits are provided if your loss of life, paralysis, or loss of hand, foot, eyesight, hearing, or speech is caused by a covered accident (including an occupational accident) that occurs while you are covered under the plan.

The full principal sum, $25,000, is paid to your beneficiary if you die. This amount is in addition to any amount payable under the group life insurance coverage.

The following benefits are payable if the covered injury causes any of the following losses within 365 days after the covered accident:

Loss of	Percentage of Principal Sum
Life	100%
Quadriplegia	100%
Both Hands or Both Feet	100%
Sight of Both Eyes	100%
1 Hand and 1 Foot	100%
1 Hand and the Sight of 1 Eye	100%
1 Foot and the Sight of 1 Eye	100%
Speech and Hearing in Both Ears	100%
Paraplegia	75%
Hemiplegia	50%
1 Hand or 1 Foot	50%
Sight of 1 Eye	50%
Speech or Hearing in Both Ears	50%
Hearing in 1 Ear	25%
Thumb and Index Finger of Same Hand	25%

"Loss" of a hand or foot means the complete severance through or above the wrist or ankle joint. "Loss" of sight of an eye means the total and irrecoverable loss of the entire sight in that eye. "Loss" of hearing in an ear means the total and irrecoverable loss of the entire ability to hear in that ear. "Loss" of speech means the total and irrecoverable loss of the entire ability to speak. "Loss" of a thumb and index finger means the complete severance through or above the metacarpophalangeal joint of both digits.

"Quadriplegia" means the complete and irreversible paralysis of both upper and both lower limbs. "Paraplegia" means the complete and irreversible paralysis of both lower limbs. "Hemiplegia" means the complete and irreversible paralysis of the upper and lower limbs of the same side of the body.

"Injury" means bodily injury caused by an accident occurring while you are covered under the plan, and resulting directly and independently of all other causes in death or loss as listed above.

If you sustain more than 1 loss as the result of the same accident, no more than 100% of the principal sum will be paid.

If you are unavoidably exposed to the elements due to an accident occurring while covered under this plan, and as a result of such exposure suffer a loss for which a benefit is otherwise payable, the loss will be covered under the terms of this plan.

If your body has not been found within 1 year of the disappearance, forced landing, stranding, sinking, or wrecking of a vehicle in which you were an occupant while covered under this plan, the loss will be covered as an accidental death under the terms of the plan.

No plan benefits will be paid for a death or loss caused in whole or in part by, or resulting in whole or in part from:

- Suicide or intentionally self-inflicted injury.

- Declared or undeclared war or act of declared or undeclared war occurring in the continental limits of the United States, unless it is an act of terrorism.

  ("Terrorism" means any violent act intended to cause injury, damage, or fear and committed by or purportedly committed by one or more individuals or members of an organized group to make a statement of the individual's or group's political or social beliefs, concepts, or attitudes and/or to intimidate a population or government into granting the individual's or group's demands.)

- An illness, sickness, disease, bodily or mental infirmity, medical or surgical treatment, or bacterial or viral infection, regardless of how contracted, except bacterial infection resulting from an accidental cut or wound or accidental food poisoning. However, if a covered loss results from medical or surgical treatment of an injury, benefits will be provided for the loss.

TRADITIONAL MEDICAL PLAN SUMMARY OF BENEFITS

The Traditional Medical Plan is available to active employees and their dependents, as well as retired employees and their dependents until they become eligible for Medicare.

This section shows general plan features of the Traditional Medical Plan, including benefit amounts and other plan information. See the Traditional Medical Plan Summary of Covered Medical Services and Supplies for benefit details.

Effective January 1, 2010, benefit and plan payment provisions will be based on a benefit year of January 1 through December 31.

Prescription drug benefits are shown in Traditional Medical Plan Prescription Drug Program. Vision care benefits are shown in Traditional Medical Plan Vision Care Program.

Schedule of Benefits

Traditional Medical Plan Schedule of Benefits
The Traditional Medical Plan is administered by Regence BlueShield (the service representative). The mental health and substance abuse program is administered by ValueOptions (the behavioral health service representative).

	Network	Nonnetwork
Plan Features		
Annual Deductible	Greater of $225 or 0.225% of base annual salary individual/$675 or 0.675% of base annual salary family of 3 or more, but not more than $225 or 0.225% of base annual salary for any person.	
Office Visit Copayment (deductible does not apply)	$15 per visit	Does not apply; charges of nonnetwork providers are subject to deductible and coinsurance.
Coinsurance	100%	60%
Annual Out-of-Pocket Maximum (in addition to deductible)	$2,000 individual/$4,000 family, but not more than $2,000 for any person.	
Lifetime Maximum Benefit	$2,000,000 lifetime maximum benefit applies to all covered services and supplies.	
Provider Choice		
• Network Providers	Special fee arrangements with the service representative make it possible for the plan to cover a higher percentage of most network services and supplies; in most cases, the only out-of-pocket expenses are: • Deductible, copayment, and coinsurance amounts. • Expenses for services and supplies not covered by the plan. • Any amounts that exceed plan maximum benefits.	

Traditional Medical Plan Schedule of Benefits *The Traditional Medical Plan is administered by Regence BlueShield (the service representative). The mental health and substance abuse program is administered by ValueOptions (the behavioral health service representative).*		
	Network	**Nonnetwork**
Provider Choice cont. • Nonnetwork Providers	In a location where qualified network providers are available, the plan covers a lower percentage of most nonnetwork services and supplies; in a location where there is no qualified network provider, the plan covers services and supplies at the network level; benefit payments are based on usual and customary charges.	
• Providers in a Category Not Eligible to Participate in the Network	The plan covers services and supplies at 80%; you can call the service representative to find out which types of providers are network providers in a particular location; benefit payments are based on usual and customary charges.	
Covered Services and Supplies	100% after deductible for most covered network services and supplies, except as shown below:	60% after deductible for most covered nonnetwork services and supplies, except as shown below:
Ambulance	100%	See network provisions.
Emergency Room		
• True Medical Emergency	$50 copayment (waived if you are admitted as an inpatient immediately following emergency room treatment).	See network provisions.
• All Other Treatment	$50 copayment.	60% after $50 copayment.
Hearing Aids	100% up to $800 per ear; limit 1 aid per ear every 3 benefit years; Hearing aid overhaul in place of new hearing aid after 3 years.	60% up to $800 per ear; limit 1 aid per ear every 3 benefit years; Hearing aid overhaul in place of new hearing aid after 3 years.
Hospital Services and Supplies	100%	60%
Hospital Alternatives • Ambulatory Surgical Facility • Christian Science Sanatorium • Home Health Care • Hospice Care • Skilled Nursing Facility	100%; limits apply.	100%; limits apply.

Traditional Medical Plan Schedule of Benefits
The Traditional Medical Plan is administered by Regence BlueShield (the service representative). The mental health and substance abuse program is administered by ValueOptions (the behavioral health service representative).

	Network	Nonnetwork
Covered Services and Supplies cont.		
Mental Health Treatment (including eating disorders)		
• Covered Inpatient, Partial Hospital, Residential, or Intensive Outpatient Services	100% when referred by the behavioral health service representative.	60% when not referred by the behavioral health service representative.
• Covered Outpatient Services	100% when referred by the behavioral health service representative.	60% when not referred by the behavioral health service representative.
Neurodevelopmental Therapy (for children age 6 and under)	100% up to $1,500 each benefit year (network and nonnetwork combined).	60% up to $1,500 each benefit year (network and nonnetwork combined.
Occupational, Physical, and Speech Therapy	100%; benefits limited to 3 months; may be extended if approved by the service representative.	60%; benefits limited to 3 months; may be extended if approved by the service representative.
Preventive Care		
• Routine Physical Examinations (for employees, spouses, and children age 2 and older)	100% (deductible does not apply) up to $500 maximum per person per benefit year, including office visits, related laboratory and X-ray charges as well as childhood and adult immunizations and vaccines, excluding travel vaccines, as recommended by the U.S. Preventive Services Task Force (USPSTF) guidelines, including the applicable catch-up immunization schedule for children ages 2 to 18 as recommended by the USPSTF guidelines; deductible and coinsurance apply after $500 limit. Limited to 1 examination per child every benefit year for age 2 through age 18.	Not covered when received in the network service area.

Traditional Medical Plan Schedule of Benefits *The Traditional Medical Plan is administered by Regence BlueShield (the service representative). The mental health and substance abuse program is administered by ValueOptions (the behavioral health service representative).*		
	Network	**Nonnetwork**
Preventive Care cont.		
• *Routine Physical Examinations (for employees, spouses, and children age 2 and older) cont.*	Limited to 1 examination per person every 3 benefit years for age 19 through age 34, then 1 examination per person every benefit year.	
• Routine Physical Examinations (for children to age 2)	100% (deductible does not apply). Limited to 8 examinations from birth to age 2. Immunizations and vaccines, excluding travel vaccines, as recommended by the U.S. Preventive Services Task Force (USPSTF) guidelines and as recommended by the physician, including the applicable catch up immunization schedule for children age 4 months to 2 years as recommended by the USPSTF guidelines.	Not covered when received in the network service area.
• Routine Pap Tests, Mammograms, Prostate Screenings, and Colorectal Screenings (including colonoscopies)	100% (deductible does not apply). Covered as recommended by the physician.	Not covered when received in a network service area.
Tobacco Cessation Treatment	100% (deductible does not apply); $500 lifetime maximum.	
Spinal and Extremity Manipulations	$15 copayment per visit up to 26 spinal and/or extremity manipulation visits per benefit year (network and nonnetwork combined).	60% up to 26 spinal and/or extremity manipulation visits per benefit year (network and nonnetwork combined).
Substance Abuse Treatment		
• Covered Inpatient, Partial Hospital, Residential, Intensive Outpatient, or Outpatient Services	100% when referred by the behavioral health service representative.	60% when not referred by the behavioral health service representative; $5,000 maximum per course of treatment.

Traditional Medical Plan Schedule of Benefits *The Traditional Medical Plan is administered by Regence BlueShield (the service representative). The mental health and substance abuse program is administered by ValueOptions (the behavioral health service representative).*		
	Network	**Nonnetwork**
Substance Abuse Treatment cont.		
• *Covered Inpatient, Partial Hospital, Residential, Intensive Outpatient, or Outpatient Services cont.*	Limit 2 courses of treatment lifetime maximum (network and nonnetwork combined).	Limit 2 courses of treatment lifetime maximum (network and nonnetwork combined).
Temporomandibular Joint Dysfunction and Myofascial Pain Dysfunction Syndrome (TMJ/MPDS) Treatment	50% up to $3,500 lifetime maximum.	
Wigs	80% after the network deductible up to a $500 annual limit.	

Annual Deductible
The annual deductible amount applies to all covered network and nonnetwork services and supplies except network provider outpatient visits where the office visit copayment applies, preventive care, and tobacco cessation treatment.

Office Visit Copayment
The office visit copayment applies to network provider office, home, or outpatient visits; acupuncture visits; hearing examinations; and spinal and extremity manipulation visits. The office visit copayment does not apply to preventive care visits or screening examinations, mental health or substance abuse outpatient visits, tobacco cessation treatment, or allergy injections separate from a physician office visit.

Out-of-Pocket Maximum
For some services, you are required to pay a certain percent of charges, called out-of-pocket expenses.

When your out-of-pocket expenses (or when your family members' combined out-of-pocket expenses) reach the annual out-of-pocket maximum, most other benefits are paid at 100% of usual and customary charges for the rest of that benefit year, up to any maximum benefit amounts.

The following expenses do not count toward the out-of-pocket maximums:

- Any balance remaining after a benefit maximum has been reached.
- Benefits paid at a reduced amount or denied when you fail to follow medical review program procedures and requirements.
- Covered medical services for TMJ/MPDS treatment.
- Covered medical services for treatment of mental illness or substance abuse.
- Covered services for tobacco cessation treatment.
- Covered medical services paid at 100% of usual and customary charges or in full.

- Deductibles.
- Expenses for services or supplies not covered by the plan.
- Hospital emergency room copayments.
- Retail and mail service prescription drug program coinsurance or copayments.
- Office visit copayments.
- The difference between usual and customary charges and the provider's actual charge.

Provider Choice

Network Providers

Network providers are physicians, hospitals, and other health care providers who have contracts with the plan's service representative to provide efficient, cost-effective health care. Although you may receive care from any licensed provider covered under the plan, the plan offers certain advantages if a network provider is used.

The contracts with network providers include direct billing and payment systems. This means you do not need to submit a claim form when a network provider is used.

Nonnetwork Providers

Covered services obtained from nonnetwork physicians, hospitals, and other covered health care providers in a license category eligible to participate in the network (for example, M.D.s) are paid according to whether network providers are available in that location.

Providers in a Category Not Eligible to Participate in the Network

Certain types of providers may or may not be network providers depending on their location. The plan may not have network contracts with providers in a specific category in a particular location (such as podiatrists or chiropractors in certain locations).

Medical Review Program

The medical review program lets you and your physician know whether certain types of nonemergency care will be covered under the plan before the care is provided and the expense is incurred.

The plan pays regular benefits for certain types of nonemergency care only if the medical review program is contacted before care is received. Benefits may be limited or denied if these requirements are not followed.

Medical review program requirements do not apply if primary coverage is provided through another employer's group medical plan.

If preadmission or prior approval is ...	Then the plan pays ...
Obtained through the medical review program.	Regular benefit levels shown in the Traditional Medical Plan Schedule of Benefits.
Required but not obtained and it is later determined that the care was medically necessary.	50% of the first $2,000 of usual and customary charges (after the deductible).
Not obtained and the admission or care is not considered medically necessary under the medical review program's guidelines.	No benefits; you are responsible for 100% of the charges.

Although contacting the program is not required before emergency or pregnancy-related admissions, you or your physician should contact the program soon after admission to be assured whether the rest of the confinement is covered. Hospital preadmission review for childbirth is not required for a mother and newborn for the first 48 hours following a normal delivery or 96 hours following a cesarean section.

All mental health and substance abuse treatment must be authorized by the behavioral health service representative. Emergency hospital admissions must be reported and authorized within 48 hours of the admission. Nonemergency admissions and outpatient services must be authorized in advance. If you or your provider does not obtain authorization, the plan will not cover any charges for mental health or substance abuse treatment. If authorization is obtained after treatment is provided (except the first 48 hours of an emergency admission), covered services will be paid at the nonnetwork level of benefits, even if you use a network provider.

Voluntary Second Surgical Opinion

The plan encourages you to get a second opinion before having any nonemergency surgery.

A second (or third) surgical opinion will be covered under the network/nonnetwork provider payment levels, subject to the plan's copayments and/or deductibles.

Individual Case Management

In the event of a severe or long-term illness or injury, the service representative assists your network provider in identifying treatment alternatives that offer cost-effective care and enhancements to quality of life.

TRADITIONAL MEDICAL PLAN SUMMARY OF COVERED MEDICAL SERVICES AND SUPPLIES

This summary applies to the Traditional Medical Plan.

Covered Services and Supplies

In general, the plan covers medically necessary services and supplies used to diagnose or treat a nonoccupational accidental injury or illness as well as medically appropriate services and supplies for certain types of preventive care and other conditions, up to plan limits.

Acupuncture

The plan covers medically necessary acupuncture for a covered illness or in place of covered anesthesia. Treatment must be provided by a licensed acupuncturist (L.A.C.), doctor of medicine (M.D.), or doctor of osteopathy (D.O.). You can contact the service representative to determine if acupuncture is covered for a particular condition.

Ambulance

Professional ambulance services are covered to transport you from the place where you are injured or become ill to the first hospital where treatment is given. These services also are covered when the physician requires an ambulance to transport you to a hospital in your area of residence to protect your health or life. Air ambulance transportation is covered when medically necessary.

Ambulance service from one hospital to another, including return, is covered only if the facility is the nearest one with appropriate regional specialized treatment facilities, equipment, or staff physicians. Ambulance transportation from or to your home is covered when medically necessary. No other expenses in connection with travel are covered.

Ambulatory Surgical Facility

The plan covers charges of an ambulatory surgical facility for treatment of a covered condition provided the services would be covered if received in a hospital. Charges of hospital-based facilities are covered as hospital services. Charges of approved free-standing facilities are covered as hospital alternatives.

Christian Science Sanatorium

Charges for a semiprivate room in a sanatorium are covered if you are admitted for the process of healing (not rest or study) and are under the care of an authorized Christian Science practitioner. If a private room in a sanatorium is used, you are responsible for the difference between the charge for the private room and the sanatorium's average charge for a semiprivate room. If the facility provides only private rooms, the plan covers up to the charge for semiprivate rooms in similar local facilities.

A Christian Science sanatorium is a facility that, at the time of the healing treatment, is operated (or listed) and certified by the First Church of Christ, Scientist, in Boston, Massachusetts.

Congenital Abnormalities and Hereditary Complications

Medically necessary services and supplies are covered when required for the treatment of congenital abnormalities and hereditary complications. This coverage applies to newborn children as well as to all other persons covered under the plan.

Cosmetic Surgery

The plan covers necessary services and supplies for cosmetic surgery only if the surgery is required for the prompt repair of an accidental injury or improvement of function due to congenital abnormality. All other surgery performed for cosmetic purposes is excluded, except as specifically provided for treatment after a mastectomy (see Reconstructive Breast Surgery).

Dental Repair of Accidental Injury

Services and supplies for the prompt repair of sound natural teeth or other body tissues as a result of an accidental injury are covered, but only to the extent they are not covered by your Company-sponsored dental plan. This may include surgical procedures of the jaw, cheek, lips, tongue, and other parts of the mouth and treatment of fractures in the facial bones (maxilla or mandible).

Diagnostic X-Ray and Laboratory Services

Diagnostic X-ray and laboratory examinations are covered, including those in connection with a voluntary second or third surgical opinion.

Durable Medical Equipment

The plan covers the rental (or purchase, when approved by the service representative) of medically necessary durable medical or surgical equipment when prescribed by a physician. Covered equipment must be:

- Able to withstand repeated use.
- Solely for the treatment or improvement of a critical function related to the medical condition.
- Appropriate for use in the home.

Examples of covered durable medical equipment are crutches, wheelchairs, kidney dialysis equipment, standard hospital beds, oxygen equipment, and diabetic supplies and equipment such as blood glucose monitors, insulin infusion devices, and insulin pumps. Covered equipment must not be useful to a person in the absence of the medical condition.

The repair or replacement of durable medical equipment due to normal usage or change in the patient's condition, including growth of a child, also is covered.

Emergency Room

Emergency room treatment at either a network or nonnetwork facility is paid at the network level if it is a true medical emergency. A patient admitted to a nonnetwork hospital retains emergency status (and benefits are paid at the network level) for 24 hours or until the patient can be transferred safely to a network facility. However, for care at a nonnetwork facility when the condition is not a true medical emergency, covered services are paid at the nonnetwork level.

Erectile Dysfunction
Organic erectile dysfunction treatment is covered when the patient has a history of one or more of the following:

- Insulin-dependent diabetes.
- Major pelvic surgery.
- Peripheral neuropathy or autonomic insufficiency.
- Peripheral vascular disease or local penile vascular abnormalities.
- Prostate cancer.
- Severe Peyronie's disease.
- Spinal cord disease or injury.

Covered therapy includes vacuum erection devices, injection therapy, a penile prosthesis, urethral pellets, and prescription medications.

Hearing Aids
Plan benefits include cost and installation of a hearing aid when recommended in writing by a physician or certified audiologist as well as the overhaul of a hearing aid in place of a new hearing aid. Benefit periods are described in the Traditional Medical Plan Summary of Benefits.

Hemodialysis
The plan covers repetitive hemodialysis treatment for chronic, irreversible kidney disease. Covered services and supplies include the rental or lease of hemodialysis equipment.

Hemodialysis treatment and equipment are covered by the plan for the first 30 months following Medicare entitlement due to end-stage renal disease. After this 30-month period, Medicare provides primary coverage and the plan provides secondary coverage.

Home Health Care
Medically necessary home health care visits and supplies are covered if inpatient care in a hospital or skilled nursing facility otherwise would be required. In addition, you must be considered homebound, which means leaving home involves a considerable and taxing effort and public transportation cannot be used without the help of another. Benefits are limited to 120 visits each benefit year.

Home health care requires prior approval; see Medical Review Program in the Traditional Medical Plan Summary of Benefits. Before receiving home health care, the attending physician must provide a written treatment plan (a written program for continued care and treatment). Then, at least once every 2 months, the physician must review the treatment plan and certify that your condition and treatment continue to meet home health care criteria.

The following home health care visits and supplies are covered if provided and billed by an approved home health care agency:

- Home health aide visits.
- Medical social visits provided by a person with a master's degree in social work (M.S.W.).
- Medical supplies that would have been provided on an inpatient basis.
- Nursing visits provided by a registered nurse (R.N.) or licensed practical nurse (L.P.N.).

- Nutritional guidance by a registered dietitian.
- Nutritional supplements (such as diet substitutes) administered intravenously or through hyperalimentation.
- Occupational therapy visits provided by an occupational therapist.
- Physical therapy visits provided by a physical therapist.
- Physician services.
- Respiratory therapy visits provided by an inhalation therapist certified by the National Board of Respiratory Therapists.
- Services and supplies for infusion therapy. (Patients do not need to meet the treatment plan and homebound requirements.)
- Speech therapy visits provided by a speech therapist.

Hospice Care

Hospice care is provided to terminally ill patients in an effort to control pain and other symptoms associated with terminal illness. The plan covers these services for a patient whose life expectancy has been determined to be 6 months or less.

Hospice care requires prior approval; see Medical Review Program in the Traditional Medical Plan Summary of Benefits. Before receiving hospice care, the attending physician must provide a written treatment plan (a written program for continued care and treatment). Then, at least once every 2 months, the physician must review the treatment plan and certify that the patient's condition and treatment continue to meet hospice care criteria.

An approved hospice treatment plan may include both inpatient and outpatient care. If hospital inpatient care is approved, the plan covers hospice care on the same basis as for other types of hospital inpatient care. Skilled nursing facility or hospital outpatient care also are covered for the hospice patient on the same basis as for other patients. The plan also covers prescription drugs and durable medical equipment for hospice care on the same basis as for other types of care.

The plan covers home health care visits and supplies listed in Home Health Care above if they are part of an approved hospice treatment plan and provided and billed by an approved hospice agency. An approved hospice agency is a public or private organization that administers and provides hospice care and is either Medicare approved or operating under the direction and control of the licensing or regulatory agency in its location.

In addition, the plan covers respite care visits of 2 or more hours to provide temporary relief to family members and friends who care for the patient, up to 120 hours every 3 months.

Hospital Services

The plan covers charges for a semiprivate room and medically necessary hospital services and supplies.

The cost of a private room is covered if medically necessary. If a private room is used when it is not medically necessary, the patient is responsible for the difference between the charge for the private room and the hospital's average charge for a semiprivate room. If the hospital provides only private rooms, the plan covers up to the charge for semiprivate rooms in similar local facilities.

Advance approval is needed for:

- Nonemergency admissions.

- Mental health and substance abuse treatment.

See Medical Review Program in the Traditional Medical Plan Summary of Benefits for more information.

Infertility

The plan covers the following services in connection with the diagnosis and treatment of infertility:

- Diagnostic tests necessary to determine the cause of infertility.
- Surgical correction of a condition causing or contributing to infertility.
- Conventional medical treatment such as office visits, laboratory services, and prescription drugs for infertility.

Mental Health and Substance Abuse Program

The Boeing mental health and substance abuse program provides benefits for mental health treatment and substance abuse treatment (including abuse of or addiction to alcohol, recreational drugs, or prescription drugs). The program is administered by the behavioral health service representative shown in the Traditional Medical Plan Summary of Benefits.

To be reimbursed under the plan, all mental health and substance abuse treatment must be determined medically necessary. When treatment is obtained from a referred provider, the plan payment levels are higher. All care is reviewed for medical necessity whether or not you contact the behavioral health service representative.

Mental Health Treatment Coverage The plan covers medically necessary mental health treatment from any provider contracted with the behavioral health service representative, including any licensed clinical psychologist, hospital or treatment facility, psychiatric doctor (M.D.), psychiatric nurse (R.N.), or professional at the master's level or above who is licensed in the area where services are performed.

If the mental health treatment is related to, accompanies, or results from substance abuse, coverage is provided solely under substance abuse provisions.

Substance Abuse Treatment Coverage The plan covers medically necessary alcoholism treatment and other types of substance abuse treatment at an approved treatment facility or hospital as well as physician and licensed therapist services and prescription drugs. The treatment, services, and drugs must be part of a specific treatment plan prepared by your attending physician and certified as covered under the plan. (An approved substance abuse treatment facility is one that treats chronic alcoholism and/or drug abuse that is licensed and regulated by the appropriate governmental agency in its location.)

The plan covers detoxification only if followed immediately by a rehabilitation program. To receive coverage for substance abuse treatment, you must complete the prescribed course of treatment.

Neurodevelopmental Therapy

The plan covers neurodevelopmental therapy for children age 6 or under, up to the maximum benefit shown in the Traditional Medical Plan Summary of Benefits. In-home neurodevelopmental therapy is covered if the patient is homebound. Therapists must meet licensing or certification requirements as described below.

Neurodevelopmental therapy is physical, occupational, and speech therapy for treatment of neurodevelopmental delay. Neurodevelopmental delay means lack of development of motor or speech function not due to injury or trauma.

Occupational, Physical, and Speech Therapy

Certain types of therapy are covered, but only to the extent that the therapy will significantly restore function. To be covered, the services of a physical therapist for physical therapy, an occupational therapist

for occupational therapy, and a speech therapist for speech therapy must be prescribed by a physician as to type and duration of treatment.

Services must be provided under a physician's supervision while you remain under the attending physician's care. The service representative will review the therapy periodically. Benefit determination is based on the attending physician's evaluation of the therapy as well as the therapist's progress reports. The information from the physician and therapist is then reviewed against established medical criteria to determine medical necessity.

No benefits are payable for therapy given at the therapist's discretion, elected by the covered person, for any treatment for delayed development or therapy that is solely for the purpose of slowing body degeneration rather than restoring functional improvement, custodial maintenance, self-help, recreational, or educational therapy.

Licensing and Certification Requirements Occupational, physical, and speech therapists must meet licensing or certification requirements as follows:

- The therapist must be duly licensed in the areas where services are performed and must be practicing within the scope of that license.
- In the absence of licensing requirements, the therapist must be certified as a registered:
  - Occupational therapist by the American Occupational Therapy Association.
  - Physical therapist by the American Physical Therapy Association.
  - Speech therapist by the American Speech and Hearing Association.

Oral Surgery
The plan covers certain services and supplies provided by a physician or dentist to the extent they are approved by the service representative and are not covered under a dental plan.

Orthopedic Appliances and Braces; Orthotics
Braces, splints, orthopedic appliances, and orthotic supplies are covered. This includes necessary repair and replacement required by normal usage or change in the patient's condition such as growth of a child. Orthopedic shoes, lifts, wedges, and inserts (orthotics) are covered if prescribed by a physician and custom made for the patient. These items are covered as part of the durable medical equipment benefits. Over-the-counter items will not be covered.

Oxygen and Anesthesia
The plan covers oxygen and anesthesia.

Physician Services
Services of a licensed physician generally are covered when medically necessary for the diagnosis or treatment of nonoccupational accidental injuries, illnesses, or other covered conditions.

Physician services also are covered for:

- An eye examination (including refraction) if performed because of another medical condition such as diabetes, glaucoma, or cataracts (routine eye examinations are covered under the vision care program).
- Antigen, allergy vaccine, insulin, and other drugs and devices (including contraceptive injections, devices, and implants) dispensed by a physician.
- Injectable legend drugs administered in a physician's office and used to treat a covered condition.

- Preventive care.

- Voluntary second or third surgical opinions.

Other Professional Services The plan covers certain health care services when provided either by a physician or another type of health care professional. All health care professionals must be licensed by the state where the services are performed and must be acting within the scope of that license. In the absence of licensing requirements, appropriate certification is required.

Covered health care professionals include:

- Acupuncturists (L.A.C.) for covered acupuncture services.

- Chiropractors providing covered chiropractic services.

- Christian Science practitioners listed in the current Christian Science Journal at the time they provide a service.

- Clinical psychologists and master's level therapists for mental health or substance abuse treatment for conditions covered under the plan.

- Dentists for covered dental work or surgery.

- Neurodevelopmental, occupational, physical, and speech therapists.

- Physician assistants for services that would have been covered if performed by a physician licensed as an M.D.

- Podiatrists providing covered podiatric services.

- Registered nurses (R.N.) for services that would have been covered if performed by a physician licensed as an M.D. The plan also covers intermittent visits by an R.N. when skilled care in place of hospitalization is not available through an alternative provider at a lesser cost.

Pregnancy-Related Conditions and Coverage of Newborns

Medically necessary services and supplies are covered for pregnancy-related conditions of you and your dependents if they are provided while covered under the plan.

Covered pregnancy-related conditions include normal delivery, cesarean section, spontaneous abortion (miscarriage), legal abortion, and complications of pregnancy.

Approved birthing center services are covered if they would be covered when received in a hospital. (A birthing center is a facility for normal delivery operating under the direction and control of the licensing or regulatory agency in its location.)

Group health plans and health insurance issuers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours, as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

A newborn is eligible from the date of birth if he or she qualifies as your dependent and is enrolled within applicable changes in status time frames. The following services and supplies are covered for an enrolled newborn, subject to the plan's annual deductible, copayment, and benefit payment levels:

- Routine hospital services and supplies and physician services during the first 48 hours following a normal delivery or 96 hours following a cesarean section.

- Medically necessary hospital and physician services and supplies.

Coverage of a newborn continues as long as the child remains an eligible dependent and is enrolled in the plan.

Preventive Care
The plan covers preventive care services if you use a network provider and you live in the network service area. (If you do not live in the network service area, you may use any licensed provider.) See the Traditional Medical Plan Summary of Benefits for details.

Prostheses
Artificial limbs, artificial eyes, and other prostheses to replace a missing body part are covered, including the necessary repair and replacement required by normal usage or change in the patient's condition such as growth of a child.

Radiation and Chemotherapy
The plan covers radiation therapy (including X-ray therapy) and chemotherapy.

Reconstructive Breast Surgery
Covered individuals who have had or are going to have a mastectomy may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided, in a manner determined in consultation with the attending physician and the patient, for:

- All stages of reconstruction of the breast on which the mastectomy was performed.

- Surgery and reconstruction of the other breast to produce a symmetrical appearance.

- Prostheses.

- Treatment of physical complications of the mastectomy, including lymphedemas.

These benefits are provided subject to the same deductible, copayment, and coinsurance applicable to other medical and surgical benefits provided under the plan.

Skilled Nursing Facility
The plan covers charges for a semiprivate room in a skilled nursing facility as well as medically necessary services and supplies when provided in place of covered hospital inpatient care. Skilled nursing facility services also are covered for a terminally ill patient when the illness has reached a point of predictable end. Nonemergency admissions must be approved in advance; see Medical Review Program in the Traditional Medical Plan Summary of Benefits.

A skilled nursing facility is an institution approved as such by Medicare. If a private room is used, you are responsible for the difference between the charge for the private room and the facility's average charge for a semiprivate room. If the facility provides only private rooms, the plan covers up to the charge for semiprivate rooms in similar local facilities.

Tobacco Cessation
The plan covers tobacco cessation services and supplies that are provided by a physician, another health care professional who is practicing within the scope of his or her license, and an approved tobacco cessation provider.

However, the plan will cover the cost only if the patient completes the full course of treatment. Tobacco cessation treatment is subject to the benefit maximum shown in the Traditional Medical Plan Summary of Benefits.

Spinal and Extremity Manipulations
The plan covers spinal and extremity manipulations by an approved provider, such as a doctor of medicine (M.D.), a doctor of osteopathy (D.O.), or a chiropractic doctor (D.C.), for spinal and extremity manipulations performed by hand. Multiple spinal and extraspinal manipulations performed by hand during the same visit are considered 1 manipulation visit. Related services, such as an initial examination and initial X-rays, also are covered.

Substance Abuse Treatment
See Mental Health and Substance Abuse Program.

Temporomandibular Joint Dysfunction and Myofascial Pain Dysfunction Syndrome (TMJ/MPDS) Treatment
The plan covers the following surgical and nonsurgical services and supplies to treat TMJ/MPDS when provided by a physician or dentist:

- Appliance management, including kinesitherapy, physical therapy, biofeedback therapy, joint manipulation, prescription drugs, injections of muscle relaxants, and therapeutic drugs or agents.
- Appliances, including night guards, bite plates, orthopedic repositioning devices, or mandibular orthopedic devices.
- Follow-up office visits.
- Initial diagnostic examinations and X-rays.
- Surgical procedures and related hospitalizations.

TMJ/MPDS treatment must be approved in advance in accordance with written guidelines.

Transplants
The plan covers medically necessary services and supplies related to covered transplants. Transplants that are part of an approved clinical trial also may be covered. Contact the service representative for more information about covered services and supplies as well as maximums.

If you or your covered dependent receives a human organ or tissue transplant covered by the plan, certain donor organ procurement costs also may be covered. Benefits are limited to selection, removal of the organ, storage, transportation of the surgical harvesting team and the organ, and other medically necessary procurement costs.

Covered donor expenses are applied against the recipient's lifetime maximum benefit.

Vasectomy and Tubal Ligation
The plan covers services and supplies required for a vasectomy or tubal ligation, but not those related to a reversal.

Wigs
The plan covers wigs (or hair prostheses) if hair loss is a result of chemotherapy or radiation therapy.

Exclusions
Charges for the following items are deducted from a health care provider's bill before the plan pays benefits for covered services and supplies. The plan does not pay charges for or related to the following:

- Accident or illness covered by a workers' compensation law.
- Amounts exceeding allowed charges or usual and customary charges. An allowed charge is the amount that would have been paid for like services or supplies to a network provider.

- Benefits payable under any automobile medical, personal injury protection (PIP), automobile no-fault, automobile uninsured or underinsured motorist, homeowner's, or commercial premises medical coverage, when that contract or insurance is issued to or provides benefits available to the patient. Any benefits paid by the plan before benefits are paid under one of these other types of contracts or insurance are to assist the patient, and do not indicate the service representative is acting as a volunteer or waiving any right to reimbursement or subrogation.

- Completion of claim forms or reports.

- Confinement or surgical, medical, or other treatment, services, or supplies received in or from a U.S. Government hospital, except as required by law.

- Counseling—career, child, family, financial, marriage, pastoral, or social adjustment.

- Custodial care as follows:

  - Care that does not require the continuing services of skilled medical or health professionals and primarily is provided to assist in activities of daily living.

  - Institutional care primarily to support self-care and provide room and board.

  Custodial care includes, but is not limited to, help in walking, getting into and out of bed, bathing, dressing, feeding, preparing special diets, and supervising medications that ordinarily are self-administered.

- Dental services except as otherwise specifically provided.

- Dyslexia, visual analysis therapy, or training related to muscular imbalance of the eye or for orthoptics. However, coverage is provided for up to 6 months when necessary to correct muscle imbalance (strabismus, esotropia, or exotropia) if treatment begins before the person's 12th birthday.

- Education, special education, or job training—whether or not by a facility that also provides medical or psychiatric care.

- Equipment or supplies not solely related to the medical care of a diagnosed illness or injury; examples include, but are not limited to:

  - Adjustable bed.

  - Any luxury or convenience item or supply.

  - Environmental control devices (air conditioners, purifiers, humidifiers).

  - Equipment used primarily to prevent illness or injury.

  - General exercise equipment.

  - Items designed primarily to assist a person caring for the patient.

  - Items generally useful in the absence of a medical condition.

  - Modification to home (wheelchair ramps, support railings), automobile, or van (ramps, lifts).

  - Orthopedic chair.

  - Personal hygiene items.

- Special car seat.

- Swimming pool, spa, or whirlpool.

- Experimental or investigational services or supplies or related complications.

- Full-body computerized axial tomography (CAT) scans or other full-body imaging.

- Hearing aid care as listed below:

  - Eyeglass-type hearing aids to the extent the charge exceeds the covered amount for hearing aids.

  - Hearing or audiometric examinations, unless disease is present; however, hearing examinations are covered if performed as part of a covered preventive care physical examination.

  - Hearing aids ordered before you become eligible for coverage or after coverage terminates.

  - Hearing aids ordered before termination of coverage but delivered more than 60 days after coverage ends.

  - Hearing aids that do not meet professionally accepted standards, including any experimental services or supplies.

  - Replacement batteries.

  - Replacement of lost, broken, or stolen hearing aids, unless the 3-year period has been exhausted.

  - Replacement parts for hearing aid repair, unless part of an overhaul after 3 years.

- Home health care and hospice care services as listed below:

  - Homemaker or housekeeping services.

  - Hospice services of financial, legal, or spiritual counselors.

  - Hospice services to other family members, including bereavement counseling.

  - Maintenance or custodial care.

  - Psychiatric care.

  - Services provided by volunteers, household members, family, or friends.

  - Social services.

  - Supplies or services not included in the written home health or hospice care treatment plan or not otherwise covered.

  - Unnecessary or inappropriate services, food, clothing, housing, or transportation.

- Infertility services or supplies not specifically covered, including but not limited to:

  - Any tests, visits, consultations, or treatment related to, leading to, or resulting in one of the noncovered services listed below.

  - Artificial insemination.

- Consecutive follicular ultrasounds, cycle therapy, or corresponding laboratory tests when associated with any artificial means of conception.
- Embryo transfer.
- Fertility drugs when associated with artificial means of conception.
- Gamete intrafallopian transfer (GIFT).
- In vitro fertilization.
- Microinjections.
- Sperm preparation.
- Sperm separation.
- Zona drilling.

- Intentionally self-inflicted injury, unless you are under treatment for a diagnosed mental illness.
- Missed appointments.
- Nonorganic impotence such as psychosexual dysfunction.
- Obesity services and supplies unless approved in advance by the service representative in accordance with written guidelines. (A copy of the guidelines may be requested by calling the service representative.)
- Over-the-counter items, including but not limited to medications, orthopedic appliances, and braces.
- Prescription drugs unless covered as part of a hospital stay; see Traditional Medical Plan Prescription Drug Program for outpatient prescription drug benefits.
- Recovery houses, school programs, or emergency service patrols.
- Reversal of a sterilization procedure.
- Refractive surgery including radial keratotomy, Lasik, or other eye surgery to correct refractive errors, except when preoperative visual acuity is 20/50 or less with a lens.
- Services or supplies the service representative determines are not medically necessary for treatment of an accidental injury, illness, or other condition covered under the plan. This includes routine physical examinations, immunizations, or other preventive services or supplies, except as specifically provided by the plan.

  Inpatient hospital care (including physician visits while hospitalized) is not considered medically necessary when the care can be provided safely in an outpatient setting—such as a hospital outpatient department, physician's office, or an ambulatory surgical facility—without adversely affecting your physical condition.

  Examples of care that generally should be provided in an outpatient setting include observation and/or diagnostic studies, surgery that can be performed on a same-day basis, and psychiatric care primarily to control or change the patient's environment.
- Services or supplies for which no charge is made or charges you or your dependent is not required to pay.

- Services or supplies not recommended and approved by a physician or other covered health care professional or those provided before the person becomes covered under the plan.

- Services or supplies required by law to be provided by any school system.

- Services or supplies to the extent they are covered under any discontinued Company-sponsored plan.

- Services or supplies covered under any Federal, state, or other government plan, except where required by law.

- Sex transformation treatment or services.

- Skilled nursing facility services when they are not usually provided by such facilities or are not expected to lessen the disability and enable the person to live outside the facility. However, skilled nursing facility services are covered for the terminal patient when the illness has reached a point of predictable end.

- Transplant services or supplies as listed below:

  - Donor or procurement services or costs incurred outside the United States, unless specifically approved by the service representative.

  - Donor services or supplies when donor benefits are available through other group coverage.

  - Expenses for that portion of treatment funded by government or private entities as part of an approved clinical trial.

  - Expenses when the recipient is not covered under the medical plan.

  - Experimental or investigational services or supplies unless they are part of an approved clinical trial.

  - Living (noncadaver) donor transplants that are not specifically authorized and covered by the medical plan.

  - Lodging, food, or transportation costs, unless otherwise specifically provided under the medical plan.

  - Nonhuman, artificial, or mechanical transplants, unless specifically approved by the service representative.

- Vision care (routine or refractive) except as specifically provided.

Definitions

Benefit Year is January 1 through December 31, annually.

Company-Sponsored Plan is a group medical or dental plan provided by the Company (or a subsidiary or affiliate) for employees and dependents. This includes the Traditional Medical Plan. (To find out whether a particular plan is Company-sponsored, contact the Boeing Service Center for Health and Insurance Plans.)

Dentist is a legally qualified dentist practicing within the scope of his or her license.

Emergency is the sudden, unexpected onset of serious illness or severe injury that could result in (or a prudent person would have reason to believe could result in) death, permanent damage or impairment of bodily function, or loss of limb use if not treated immediately. For mental health coverage, a situation is also considered an emergency when there is imminent danger to you or others, or you are medically compromised as a result of mental illness or substance abuse.

Medically Necessary Service or Supply meets the following criteria, as determined by the service representative. A service or supply may be medically necessary in part only. The fact the service or supply is furnished, prescribed, recommended, or approved by a physician does not, by itself, make it medically necessary. A service or supply is medically necessary if it is:

- Appropriate as good medical practice.
- Consistent with the condition's symptom or diagnosis and treatment.
- Not able to be provided safely in an outpatient setting (for an inpatient service or supply).
- Professionally and broadly accepted as the usual, customary, and effective means of diagnosing or treating the illness, injury, or condition.
- Required to diagnose or treat your condition and the condition could not have been diagnosed or treated without it.
- The most appropriate service or supply essential to your needs.

Mental Illness is a disorder (including an eating disorder) that exhibits signs, symptoms, history, and other characteristics congruent with those required for a mental disorder diagnosis enumerated in the Diagnostic and Statistical Manual of Mental Disorders, 4th edition (DSM IV).

Nurse is a person duly licensed as a registered nurse (R.N.) in the area where his or her services are performed and practicing within the scope of that license.

Physician is a person licensed as a medical doctor (M.D.) or doctor of osteopathy (D.O.) duly licensed to prescribe and administer all drugs and to perform surgery.

Psychologist is a person duly licensed as a clinical psychologist in the area where his or her services are performed and practicing within the scope of that license.

Service Representative is an agent that has a contract with the Company to make benefit determinations and administer benefit payments under the plan and programs described in this summary. The Company may change a service representative at any time.

Substance Abuse is an alcohol or drug-related disorder that exhibits signs, symptoms, history, and other characteristics congruent with those required for a substance-related disorder as enumerated in the Diagnostic and Statistical Manual of Mental Disorders, 4th edition (DSM IV).

TRADITIONAL MEDICAL PLAN PRESCRIPTION DRUG PROGRAM

The prescription drug program described here is available to active and retired employees and dependents enrolled in the Traditional Medical Plan.

This program offers 2 coverage options for prescription drugs and medicines:

- Retail pharmacy card program—you can use the pharmacy card to facilitate reimbursement when you obtain covered prescriptions from a participating retail pharmacy.
- Mail service program—called Medco By Mail.

A formulary applies to all retail pharmacy and mail order purchases. (A formulary is a list of drugs determined to be effective in both cost and treatment and approved by the Food and Drug Administration (FDA). A nonformulary drug also may be effective for treatment, but is not as cost-effective as formulary

or generic drugs. A group of practicing physicians and pharmacists routinely reviews drugs to include in the formulary. If clinical data show several drugs are equally effective, the most cost-effective drug usually is chosen. The formulary may change from time to time.)

There are 3 categories of prescription drug purchases:

- **Generic**—drugs that are chemically and therapeutically equivalent to their brand-name counterparts but usually cost less.
- **Brand-name formulary**—brand-name drugs selected for the formulary based on cost and effectiveness.
- **Brand-name nonformulary**—brand-name drugs not selected for the formulary.

The program includes utilization management services (see Pharmacy Management) to help ensure cost-effective, clinically appropriate treatment.

Schedule of Benefits

Traditional Medical Plan Prescription Drug Program Schedule of Benefits
The prescription drug program is administered by Medco Health Solutions, Inc. (the service representative).

	Generic	Brand-Name Formulary	Brand-Name Nonformulary
Participating Retail Pharmacy (up to a 34-day supply)	90%*,**; $5 minimum, $25 maximum	80%*,**; $15 minimum, $75 maximum	70%*,**; $30 minimum, no maximum
Mail Service Program (Medco By Mail; up to a 90-day supply)	$10 copayment	$30 copayment	$60 copayment

*The annual deductible does not apply.
**Prescriptions purchased from a nonparticipating retail pharmacy will be reimbursed based on the covered charges for a participating retail pharmacy.

Retail Pharmacy Card Program
This program covers medically necessary prescription drugs required by Federal or state law to be prescribed in writing by a physician or dentist and dispensed by a licensed pharmacist. Covered prescriptions include legend drugs, contraceptive medications, tobacco cessation drugs, self-administered injectable drugs, insulin, needles and syringes, test strips, lancets, and alcohol swabs.

Prior authorization may be required for certain medications.

The retail pharmacy card program covers up to a 34-day supply per prescription or refill.

Mail Service Program
The Medco By Mail program covers medically necessary prescription drugs and medicines required by Federal or state law to be prescribed in writing by a physician or dentist and dispensed by a licensed pharmacist. Covered prescriptions include legend drugs, contraceptive medications, tobacco cessation drugs, self-administered injectable drugs, insulin, needles and syringes, test strips, lancets, and alcohol swabs.

Prior authorization may be required for certain medications.

Medco By Mail covers up to a 90-day supply per prescription or refill. Authorized refills are covered only after the initial order has been used. Certain controlled substances are subject to quantity limits.

Unless the physician indicates otherwise, you will receive a generic equivalent of the prescribed drug when available and permissible under the law. You also may receive a different brand that is medically equivalent.

Pharmacy Management
Certain dosages, quantities, and medications require preapproval by the service representative. Specific drugs are reviewed by the service representative at the point of sale to determine if your prescription is covered by the plan, clinically appropriate, and consistent with usage guidelines.

The service representative applies standards based on FDA-approved labeling and clinical guidelines. The service representative will seek to ensure that you receive the most appropriate prescription for your condition by reviewing:

- Possible interactions with other current prescriptions.
- Cost-effectiveness.
- Whether the prescription is age appropriate.
- Whether the dosage and quantity are appropriate.

In certain situations, it may be more clinically appropriate to take a stronger dose once a day than to take a lower dose twice a day. If this opportunity exists, the service representative may ask your physician to approve the changes to the dosage and strength before authorizing payment with your pharmacist.

Should a drug require preapproval, your physician will be required to furnish the service representative with clinical information. You, the pharmacy, or the physician may initiate the request for this review by calling the service representative.

Generic Incentive Program
To encourage the use of generic drugs, if a brand-name drug is purchased when a chemically equivalent generic is available (for both retail pharmacy and mail service)—whether you or your physician requests the brand-name drug—you will pay the generic coinsurance/copayment plus the cost difference between the brand-name drug and generic drug.

If for any reason your physician believes that you must use a brand-name drug, he or she can ask for a coverage review by calling the service representative. The service representative will request information from your physician and review it to determine if your need for the brand-name drug meets the conditions to qualify for coverage. If coverage is approved, you will be charged the brand coinsurance/copayment for the brand-name drug. If coverage is not approved, coverage will be provided according to the generic incentive program.

Specialty Care Pharmacy
Specialty medications are typically injectable medications administered by you or a health care professional, and they often require special handling. Newly prescribed medications may be purchased at any participating retail pharmacy up to 2 times. After that, the plan will cover these prescriptions only if they are purchased through the service representative's specialty care pharmacy.

The specialty care pharmacy program will not apply to medications ordered and billed through a physician's office.

Prescription Drug Program Exclusions
The following items are excluded under both the retail pharmacy card program and the mail service program:

- Any prescription filled in excess of the number prescribed by the physician or any refill after 1 year from the date of the prescription.
- Any prescription for which the person is eligible to receive benefits under another employer's group benefit plan or a workers' compensation law or from any municipal, state, or Federal program.
- Any service or supply otherwise excluded by the Traditional Medical Plan or the vision care program.
- Appliances or devices, such as blood glucose monitors or other nondrug items, including but not limited to therapeutic devices and artificial appliances. This exclusion does not apply to needles or syringes or to test strips, lancets, or alcohol swabs.
- Charges for the administration or injection of any drug.
- Delivery or handling charges.
- Drugs dispensed during an inpatient admission by a hospital, skilled nursing facility, sanatorium, or other facility.
- Experimental drugs or drugs used for investigational purposes.
- Fertility agents, unless approved by the service representative.
- Immunizing agents or allergy serum.
- Infusion therapy drugs, except as described in the home health care benefit.
- Medications to treat sexual dysfunction, unless the patient is being treated for a diagnosed medical condition.
- Obesity drugs, unless approved by the service representative.
- Over-the-counter drugs.
- Prescriptions that are not medically necessary to treat an illness, injury, or other covered condition, except as specifically provided by the program.
- Replacement of lost or misplaced prescriptions.

TRADITIONAL MEDICAL PLAN VISION CARE PROGRAM

The vision care program described here is available to active and retired employees and their dependents enrolled in the Traditional Medical Plan.

Schedule of Benefits

Traditional Medical Plan Vision Care Program Schedule of Benefits
The vision care program is administered by Vision Service Plan (VSP, the service representative).

Services and Supplies	VSP Plan
Eye examinations	Paid in full after $15 copayment for VSP network provider; up to $50 for nonnetwork provider.

Traditional Medical Plan Vision Care Program Schedule of Benefits *cont.*
The vision care program is administered by Vision Service Plan (VSP, the service representative).

Services and Supplies	VSP Plan
Lenses (2):	
Single vision	$50*
Bifocal	$80*
Trifocal	$95*
Lenticular	$155*
Frames	$90*
Contact lenses (in place of allowances for conventional lenses and frames above)	$120*

*VSP network providers offer a 20% discount on complete pairs of prescription glasses and a 15% discount on contact lens examinations (evaluation and fitting); you pay the VSP network provider only the excess over the amounts shown in the schedule above. Nonnetwork provider charges for lenses, frames, and contact lenses are reimbursed up to the amounts shown in the schedule above; no discount applies.

Accessing the VSP Network
VSP features a national network of licensed optometrists and ophthalmologists. These providers have contracted with VSP to provide vision care services and supplies. Although you may receive care from any covered licensed provider, the program offers certain advantages when using a network provider.

Network providers offer discounts on complete pairs of prescription glasses and on contact lens examinations (evaluation and fitting). The program pays the network provider the amounts shown in the Schedule of Benefits. You pay the excess over those amounts. Network providers also submit claims to the service representative.

Covered Vision Services and Supplies
The program covers the following vision care services and supplies (up to the amounts shown in the Schedule of Benefits):

- Complete eye examination of visual function, performed by a licensed ophthalmologist or optometrist.
- Contact lenses if elected in place of conventional lenses and frames.
- Frames required for prescription lenses.
- Prescription lenses.

Benefit Payment Levels
See the Schedule of Benefits for payment levels.

Patients incur an additional charge for noncovered lens options such as lens coatings or hardening, tints, photochromic, polycarbonate, and scratch-resistant or shatter-resistant lenses.

Other vision care services are not covered under this program, but some may be covered as a medical condition under the Traditional Medical Plan.

Benefit Limitations
Benefits are provided for 1 eye examination every benefit year and 2 sets of lenses and 2 frames every 2 years (network and nonnetwork combined). The program covers contact lenses when purchased in place

of conventional lenses and frames. Any replacement of lost, stolen, or broken lenses and/or frames is subject to the 2-set limit.

Vision Care Program Exclusions

The following vision care expenses are not covered:

- Corrective vision treatment of an experimental nature. (Experimental nature means a procedure or lens not used universally or accepted by the vision care profession, as determined by the service representative.)
- Costs above the maximum covered expenses.
- Lens options (such as coatings or hardening, tints, photochromic, polycarbonate, or scratch-resistant or shatter-resistant lenses).
- Medical or surgical treatment of the eye. (However, VSP network providers will offer discounts for refractive surgery.)
- Orthoptics or vision training or any associated supplemental testing; dyslexia.
- Plano lenses (less than a ± 0.38 diopter power), nonprescription glasses, 2 pair of glasses instead of bifocals, or extra charge for progressive lenses in excess of the bifocal allowance.
- Services or supplies not listed as covered expenses.
- Services or supplies received more than 60 days after the service representative authorizes vision care benefits.
- Services or supplies received while not covered or lenses or frames furnished or ordered before coverage begins.
- Solutions and/or cleaning products for glasses or contact lenses.
- Special supplies, such as nonprescription sunglasses or subnormal vision aids.

PPO+ACCOUNT SCHEDULE OF BENEFITS

The PPO+Account is available to active employees and their dependents. This section shows general plan features of the PPO+Account, including benefit amounts and other plan information.

Schedule of Benefits

PPO+Account Schedule of Benefits ***The PPO+Account is administered by Aetna (the service representative).***	
Annual Deductible (applies unless otherwise noted)	• $1,500 employee only. • $2,625 employee + spouse or child(ren). • $3,750 employee + spouse and child(ren). The deductible may be met by 1 person or a combination of family members. Network and nonnetwork expenses apply to the deductible.
Coinsurance Percentage	Network: Plan pays 95%. Nonnetwork: Plan pays 60%.

PPO+Account Schedule of Benefits *cont.* *The PPO+Account is administered by Aetna (the service representative).*		
Annual Coinsurance Maximum	Network: • $1,600 employee only. • $2,800 employee + spouse or child(ren). • $4,000 employee + spouse and child(ren). Nonnetwork: • 3,200 employee only. • $5,600 employee + spouse or child(ren). • $8,000 employee + spouse and child(ren). Annual coinsurance maximum is in addition to the annual deductible; it is combined for all family members; individual annual coinsurance maximums do not apply.	
Copayments	You pay the network copayment listed below for routine eye examinations.	
Lifetime Maximum Benefit	$2.0 million per individual (network and nonnetwork combined).	
	Network Provider*	**Nonnetwork Provider**›†**
Ambulance	95%	90% (must meet definition of emergency medical condition); otherwise 60%.
Christian Science Practitioner and Sanatorium	95%; limits apply.	Same as network provisions.
Diagnostic X-Ray and Laboratory Services	95%	60%
Durable Medical Equipment	95%	60%
Emergency Room Treatment		
• Medical Emergency (must meet the definition of emergency medical condition)	95%	Same as network provisions.
• All Other Treatment	95%	60%
Hearing Aids	• 95% up to $800 per ear. • Limited to 1 aid per ear every 3 benefit years. • Hearing aid overhaul in place of new hearing aid after 3 benefit years.	Same as network provisions.
Hemodialysis	• 95% for the first 30 months of Medicare entitlement due to end stage renal disease. • Thereafter, Medicare is primary and this plan is secondary.	60%

PPO+Account Schedule of Benefits *cont.* *The PPO+Account is administered by Aetna (the service representative).*		
	Network Provider*	**Nonnetwork Provider**,†**
Home Health Care	95%	60%
Hospice Care	• 95%; 6-month maximum. • Skilled care of 4 or more hours per day by a registered nurse, licensed practical nurse, or home health aide. • Respite care visits of 2 or more hours per day up to 120 hours per 3 months.	Same as network provisions.
Hospital	95%	60%
Mental Health Treatment (including eating disorders)	Care is managed by and claims are administered by Aetna.	
• Covered Inpatient, Residential, or Intensive Outpatient Services	95% when obtained from a provider referred by Aetna.	60% when obtained from a provider not referred by Aetna.
• Covered Outpatient or Partial Hospital Services	95%; no precertification required for first 8 outpatient visits with a network provider; subsequent visits must be approved by Aetna or will be paid at nonnetwork level.	60% when obtained from a provider not referred by Aetna.
Physician (inpatient and outpatient)	95%	60%
Prescription Drugs	• Pharmacy benefits are provided through Aetna and Aetna Rx Home Delivery. • Quantities and dosages for certain prescription drugs may be limited by general plan provisions, clinically established guidelines, and/or FDA-approved labeling.	
• Retail Pharmacy Card Program	Supply limited to 30 days (for certain preventive medications, annual deductible does not apply).	
Generic drug	• 90%	
Brand formulary drug	• 80%	
Brand nonformulary drug	• 70%	
• Mail-Order Pharmacy Program	Supply limited to 90 days (for certain preventive medications, annual deductible does not apply).	
Generic drug	• 90%	
Brand formulary drug	• 80%	

PPO+Account Schedule of Benefits *cont.* *The PPO+Account is administered by Aetna (the service representative).*		
Prescription Drugs cont.	**Network Provider***	**Nonnetwork Provider**,†**
Brand nonformulary drug	• 70%	
Preventive Care		
• Routine Physical Examinations (for employees, spouses, and children age 2 and older)	• 100% (annual deductible does not apply) up to $500 each year per covered person, including physical examinations, related laboratory and X-ray charges as well as childhood and adult immunizations as recommended by the U.S. Preventive Care Task Force guidelines; deductible and coinsurance apply after $500 limit. • Limited to 1 examination per child every benefit year for age 2 through age 18. • Limited to 1 examination per person every 3 benefit years for age 19 through age 34, then 1 examination per person every benefit year.	Not covered when received in a network service area.
• Routine Physical Examinations (for children to age 2)	• 100% (annual deductible does not apply). • Limited to 8 examinations from birth to age 2. • Immunizations as recommended by the U.S. Preventive Care Task Force guidelines and as recommended by physician.	Not covered when received in a network service area.
• Routine Pap Tests, Mammograms, Prostate Screenings, and Colorectal Screenings (including colonoscopies)	• 100% (annual deductible does not apply). • Covered as recommended by the physician.	Not covered when received in a network service area.
Prostheses	95%; $500 annual limit for hair prostheses if undergoing chemotherapy or radiation therapy (network and nonnetwork combined).	60%; $500 annual limit for hair prostheses if undergoing chemotherapy or radiation therapy (network and nonnetwork combined).

PPO+Account Schedule of Benefits *cont.*
The PPO+Account is administered by Aetna (the service representative).

	Network Provider*	Nonnetwork Provider**,†
Tobacco Cessation Treatment	• 100% (annual deductible does not apply). • $500 lifetime maximum benefit.	Same as network provisions.
Spinal and Extremity Manipulations (such as chiropractic care)	• 95% • Limited to 26 visits for spinal and extremity manipulations combined per year (network and nonnetwork combined).	• 60% • Limited to 26 visits for spinal and extremity manipulations combined per year (network and nonnetwork combined).
Substance Abuse Treatment • Covered Inpatient, Partial Hospital, Residential, Intensive Outpatient, or Outpatient Services	Care is managed by and claims are administered by Aetna. • 95% when obtained from a provider referred by Aetna. • No precertification required for first 8 outpatient visits with a network provider; subsequent visits must be preapproved by Aetna or will be paid at the nonnetwork level. • Up to $7,500 per course of treatment. • Limited to 2 courses of treatment lifetime maximum (network and nonnetwork combined).	• 60% when obtained from a provider not referred by Aetna. • Up to $2,500 per course of treatment; maximum will count toward $7,500 network maximum. • Limited to 2 courses of treatment lifetime maximum (network and nonnetwork combined).
TMJ/MPDS Treatment	• 50% • $3,500 lifetime maximum.	Same as network provisions.
Therapies • Neurodevelopmental Therapy (for children 6 and younger) • Occupational, Physical, and Speech Therapy	• 95% • Limited to $1,000 each benefit year (network and nonnetwork combined). 95%	• 60% • Limited to $1,000 each benefit year (network and nonnetwork combined). 60%

*The network payment level is based on the approved fees that the service representative negotiated for specific providers and services covered by the plan.
**The nonnetwork payment level is based on the usual and customary charge (as defined by this plan). You are responsible for paying any charges in excess of the amount the service representative determines to be the usual and customary charge.
†For certain benefits, the plan will pay 90% of usual and customary charges if the service representative does not maintain a network of providers in a particular license category in a certain area.

PPO+ACCOUNT VISION CARE PROGRAM

Schedule of Benefits

PPO+Account Vision Care Program Schedule of Benefits *The vision care program is administered by Vision Service Plan (VSP, the service representative).*	
Services and Supplies	**VSP Plan**
Eye Examinations	Paid in full after $15 copayment for VSP network provider; up to $50 for nonnetwork provider.
Lenses (2):	
Single vision	$50*
Bifocal	$80*
Trifocal	$95*
Lenticular	$155*
Frames	$70*
Contact Lenses (in place of allowances for conventional lenses and frames above).	$105*

*VSP network providers offer a 20% discount on complete pairs of prescription glasses and a 15% discount on contact lens examinations (evaluation and fitting); you pay the VSP network provider only the excess over the amounts shown in the schedule above. Nonnetwork provider charges for lenses, frames, and contact lenses are reimbursed up to the amounts shown in the schedule above; no discount applies.

The VSP provisions described for the Traditional Medical Plan also apply to the PPO+Account.

OTHER MEDICAL PLANS SCHEDULES OF BENEFITS INFORMATION ONLY

Group Health HMO (WA)	
Annual Deductible	None
Coinsurance	100% after applicable copayments.
Annual Out-of-Pocket Maximum	None
Lifetime Maximum Benefit	$2,000,000 per individual.
Emergency Room	$50 copayment.
Office Visit and Urgent Care	$10 copayment per visit.
Prescription Drugs	
• Participating Pharmacy	$5 copayment generic formulary; $15 copayment brand-name formulary; nonformulary not covered;30-day supply.
• Mail Service Program	$10 copayment generic formulary; $30 copayment brand-name formulary; nonformulary not covered; 90-day supply.

Group Health HMO (WA) cont.

Vision	
• Eye Exams	$10 copayment for 1 exam every 12 months.
• Frames and Lenses	$140 allowance per pair of lenses/frames or contacts; 2 pairs every 24 consecutive months.

Nonnetwork services and supplies are not covered except for emergency care.

Select Network EPO (WA)	
Annual Deductible	None
Coinsurance	100%
Annual Out-of-Pocket Maximum	None
Lifetime Maximum Benefit	$2,000,000 per individual.
Emergency Room	$50 copayment.
Office Visit and Urgent Care	$10 copayment per visit.
Prescription Drugs	
• Participating Pharmacy	$5 copayment generic formulary; $15 copayment brand-name formulary; $30 copayment brand-name nonformulary; 34-day supply.
• Mail Service Program	$10 copayment generic formulary; $30 copayment brand-name formulary; $60 copayment brand-name nonformulary; 90-day supply.
Vision	
• Eye Exams	$10 copayment for 1 exam every benefit year.
• Frames and Lenses	$50 to $155 limit for lenses; $90 limit for frames; $120 limit for contacts; 2 pairs every 2 benefit years.

Referrals to network specialists are not required.
Nonnetwork services and supplies are not covered except for emergency care.

Kaiser Permanente HMO (CA)	
Annual Deductible	None
Coinsurance	100% after applicable copayments.
Annual Out-of-Pocket Maximum	$1,500 per individual; $3,000 per family.
Lifetime Maximum Benefit	None
Emergency Room	$50 copayment.
Office Visit and Urgent Care	$10 copayment per visit.

Kaiser Permanente HMO (CA) cont.

Prescription Drugs	
• Participating Pharmacy	$5 copayment generic formulary; $15 copayment brand-name formulary; nonformulary not covered; 100-day supply.
• Mail Service Program	$5 copayment generic formulary; $15 copayment brand-name formulary; nonformulary not covered; 100-day supply.
Vision	
• Eye Exams	$10 copayment per visit.
• Frames and Lenses	$200 eyewear allowance for lenses/frames or contacts every 24 months.

Nonnetwork services and supplies are not covered except for emergency care.

Selections Plus CCP (OR)		
	Network	**Nonnetwork**
Annual Deductible	None	$400 per individual.
Coinsurance	100% after applicable copayments.	60%; deductible applies.
Annual Out-of-Pocket Maximum	None	$2,000 per individual; $4,000 per family.
Lifetime Maximum Benefit	$2,000,000 per individual.	
Emergency Room	$50 copayment.	
Office Visit and Urgent Care	$10 copayment per visit.	60%; deductible applies.
Prescription Drugs		
• Participating Pharmacy	$5 copayment generic formulary; $15 copayment brand-name formulary; $30 copayment brand-name nonformulary; 34-day supply.	Not covered.
• Mail Service Program	$10 copayment generic formulary; $30 copayment brand-name formulary; $60 copayment brand-name nonformulary; 90-day supply.	Not covered.
Vision		
• Eye Exams	$10 copayment for 1 exam every benefit year.	Not covered.
• Frames and Lenses	$50 to $155 limit for lenses; $90 limit for frames; $120 limit for contacts; 2 pairs every 2 benefit years.	

Kaiser Permanente HMO (OR)	
Annual Deductible	None
Coinsurance	100% after applicable copayments.
Annual Out-of-Pocket Maximum	None
Lifetime Maximum Benefit	$2,000,000
Emergency Room	$50 copayment.
Office Visit and Urgent Care	$10 copayment per visit.
Prescription Drugs	
• Participating Pharmacy	$5 copayment generic formulary; $15 copayment brand-name formulary; nonformulary not covered; 30-day supply.
• Mail Service Program	$10 copayment generic formulary; $30 copayment brand-name formulary; nonformulary not covered; 90-day supply.
Vision	
• Eye Exams	$10 copayment per visit.
• Frames and Lenses	$250 eyewear allowance for lenses/frames or contacts every 24 mos.
Nonnetwork services and supplies are not covered except for emergency care.	

SelectHealth HMO (UT)	
Annual Deductible	None
Coinsurance	100% after applicable copayments.
Annual Out-of-Pocket Maximum	None
Lifetime Maximum Benefit	$2,500,000 per individual.
Emergency Room	$50 copayment.
Office Visit and Urgent Care	$10 copayment per visit.
Prescription Drugs	
• Participating Pharmacy	$5 copayment generic formulary; $15 copayment brand-name formulary; $30 copayment nonformulary; 30-day supply.
• Mail Service Program	$10 copayment generic formulary; $30 copayment brand-name formulary; $60 copayment nonformulary; 90-day supply.
Vision	
• Eye Exams	$10 copayment per visit.
• Frames and Lenses	Discounts available through local vendors, depending on the prescription.
Nonnetwork services and supplies are not covered except for emergency care.	

AETNA HEALTH SAVINGS ACCOUNT

If you enroll in the PPO+Account medical plan, you will have the opportunity to set up a special tax-advantaged bank account, the Aetna Health Savings Account (HSA), for paying health care services.

The Company has contracted with service representatives to sponsor and administer your HSA. Service representatives answer questions, process transactions, maintain accounts, provide account information, and perform other account services. The current service representatives are as follows:

Current HSA Service Representative	HSA Transactions Are Processed by
Aetna/JPMorgan Chase	JPMorgan Chase

The Company reserves the right to change a service representative at any time. If this happens, you will be notified in writing.

Contributing to Your Aetna HSA

The amount Boeing will contribute to your account is based on the coverage level you elect. The contributions will be made on the same frequency as your paychecks.

You can make your own optional contributions to your Aetna HSA through payroll deductions. The amount you contribute can be changed at any time during the year, for any reason. Even if you decide not to contribute, you still will receive Boeing's contribution.

2010 Annual HSA Contributions

Your coverage level	Boeing contributes	You can contribute up to	Total maximum contributions (from Boeing and you)
Employee only	$1,000	$2,000*	$3,000**
Employee + spouse or child(ren)	$1,750	$4,200*	$5,950**
Employee + spouse and child(ren)	$2,500	$3,450*	$5,950**

*If you are age 55 or older (or will turn 55 in 2010), you can contribute up to an additional $1,000 as a "catch-up" contribution in 2010.

**Contributions are subject to Federal limits and are adjusted annually. The contribution limits shown here are for 2009; 2010 limits are not known at this time, but will apply to the Aetna HSA on January 1, 2010.

The amount Boeing contributes to your HSA will change each year. 2011, 2012, and 2013 contribution amounts are shown below.

2011–2013 Boeing Annual HSA Contributions

Your coverage level	Boeing contributes
Employee only	$700
Employee + spouse or child(ren)	$1,250
Employee + spouse and child(ren)	$1,750

Withdrawals and Tax Implications

If you withdraw money to pay qualified health care expenses, there is no Federal or state tax in any state. Money withdrawn from an HSA for anything other than qualified medical expenses generally is taxable under Federal law as ordinary income and is subject to a 10% tax penalty. The additional 10% tax does not apply if the withdrawal is made after your death, disability, or reaching age 65.

Important HSA Information

- Aetna sponsors and administers the HSA; neither Boeing nor the Employee Benefit Plans Committee will have any involvement in HSA administration or claims issues.

- Because the HSA is your personal account with Aetna, Boeing cannot sponsor or endorse it.

PREFERRED DENTAL PLAN SUMMARY

The Preferred Dental Plan described here is available to active employees and their dependents. This plan helps you and your covered dependents pay for minor and major dental work, including routine examinations, crowns, and orthodontia.

You and your covered dependents may receive dental care from any licensed dentist or other licensed professional who is approved by the plan. However, your out-of-pocket costs generally will be lower if you use a network dentist. If you use a nonnetwork dentist, your out-of-pocket costs generally will be higher. If you live outside of the network service area, the plan generally will cover dental care at the network benefit level.

Preferred Dental Plan Schedule of Benefits
The Preferred Dental Plan is administered by Delta Dental (the service representative)

	Network	Nonnetwork*
Annual Deductible	$50 per individual; $150 per family of 3 or more (network and nonnetwork combined).	$75 per individual; $225 per family of 3 or more (network and nonnetwork combined).
Coinsurance Percentage		
• Class I (diagnostic and preventive services)	100% (deductible does not apply).	80%
• Class II (restorative services using filling materials, oral surgery, periodontics, and endodontics)	80%	50%
• Class III (restorative services using crowns, inlays, and onlays; prosthodontics)	60%	50%
• Class IV (orthodontia services)	50% (network and nonnetwork combined; deductible does not apply).	
Annual Maximum Benefit (for Classes I, II, and III)**	$2,000 per individual (network and nonnetwork combined).	
Lifetime Maximum Benefit (for Class IV)***	$2,000 per individual (network and nonnetwork combined).	

*If your provider is not a Delta Dental member, you pay any amounts that exceed the maximum allowable fees recognized by the plan.
**When multiple treatment dates are required, the charges apply toward the annual maximum benefit for the benefit year in which the procedure is completed. (A prosthesis is considered complete on the date it is seated or delivered.)
***This lifetime maximum benefit for orthodontia applies to all periods during which the person is covered under any Company-sponsored dental plan.
Note: The plan reimburses 100% of a network provider's recognized fees for prompt repair of damage to sound natural teeth as a direct result of accidental bodily injury.

You and your covered dependents are responsible for paying all charges for services and supplies that the plan does not cover.

Annual Deductible

Generally, the annual deductible is the amount you must pay out of your own pocket each year before the plan begins to pay benefits for Class I services received from a nonnetwork provider and for all (network and nonnetwork) Class II and III services. The following services and supplies are excluded from the annual deductible:

- Class I services and supplies received from network providers.
- Class IV services and supplies received from network or nonnetwork providers.

This means that the plan begins to pay its coinsurance percentage immediately for these dental services. The coinsurance percentage you pay for these services (if applicable) does not count toward your annual deductible.

The plan has an individual annual deductible and a family annual deductible. If you and 3 or more of your dependents are covered under the plan, the family annual deductible limits the total annual deductible you are required to pay in any benefit year.

The annual deductibles are shown in the Preferred Dental Plan Schedule of Benefits above.

Coinsurance Percentages

For many services and supplies, you and the plan each pay a percentage of the recognized fee. These percentages are called coinsurance percentages. A coinsurance percentage does not apply to:

- Class I services and supplies received from network providers.
- Any amounts you pay for services and supplies that the plan does not cover.
- Any amounts that exceed the maximum allowable fees recognized by the plan.

Coinsurance percentages are shown in the Preferred Dental Plan Schedule of Benefits above.

Benefit Maximums

For Classes I, II, and III, an annual maximum applies to each covered person. The annual maximum amount is shown in the Preferred Dental Plan Schedule of Benefits above. You are responsible for paying any charges over the annual maximum benefit.

For Class IV, a lifetime maximum benefit applies to each covered person. The lifetime maximum benefit amount is shown in the Preferred Dental Plan Schedule of Benefits.

Recognized Fees

This plan pays benefits based on the recognized fees. A recognized fee is the provider's charge for a covered service, up to the plan's maximum allowance. The amount of the recognized fee depends on whether you see a network or nonnetwork provider.

Under this plan, recognized fees are determined as follows:

- For a network dentist, recognized fees are network-allowed charges.
- For a member dentist who is a nonnetwork dentist, recognized fees are the fees that the dentist filed with the service representative for specific dental services and supplies. The service representative approves these fees and agrees to pay the plan's nonnetwork benefit based on them.

- For a nonmember dentist, recognized fees are the lesser of either:
  - The amount charged by the dentist, or
  - The maximum allowable fee that the service representative approved for member dentists in the state where services are performed.

When alternative procedures are available, the plan covers the least expensive procedure. However, if your dentist submits satisfactory evidence to the service representative that a more expensive procedure is the only one professionally adequate for you, the plan will cover the more expensive procedure according to the appropriate benefit payment level.

Three Classes of Providers
The Preferred Dental Plan covers the charges of any licensed dental provider. The level of coverage is highest for network providers.

- Network providers are members of Delta Dental and participate in the Delta Dental preferred provider network in your state.
- Nonnetwork member providers are members of Delta Dental, but do not participate in the preferred provider network.
- Nonmember providers are not members of Delta Dental.

Covered Dental Services and Supplies
The Preferred Dental Plan covers the following services and supplies in accordance with the benefit payment levels and maximums shown in the Preferred Dental Plan Schedule of Benefits above.

Class I Covered Services and Supplies
The plan covers the following Class I services and supplies:

- Diagnostic examinations, including
  - Biopsy/tissue examinations (also called histopathic examinations).
  - Complete mouth or panographic X-rays, once in each 5-year period.
  - Emergency examinations.
  - Examinations by a specialist (if the specialty is recognized by the American Dental Association and if you are not receiving treatment from the specialist), up to 3 times in a 6 month period.
  - Routine examinations, 2 in each 1-year period.
  - Comprehensive oral examinations, once in each 3-year period, which count as 1 of the 2 routine examinations in a year.
  - Supplementary bitewing X-rays, once in each 1-year period.
- Preventive care, including:
  - Fissure sealants through age 14 for permanent molars with intact occlusal surfaces, no decay, and no prior restorations. The plan covers repair or replacement within a 3-year period as part of the original service. (Fissure sealants are acrylic, plastic, or composite materials that are applied topically to prevent decay by sealing developmental grooves and pits in the child's teeth.)

- Prophylaxis (cleaning), either regular or periodontal maintenance, twice in each 1-year period; 2 additional cleanings are allowed if periodontal disease is present.

- Space maintainers when used to maintain space for eruption of permanent teeth.

- Topical application of fluoride or preventive therapies (such as flouridated varnishes), twice in each 1-year period for dependent children through age 18.

Class II Covered Services and Supplies

The plan covers the following Class II services and supplies:

- Endodontics for the following procedures once in each 2-year period on the same tooth:

  - Pulpal and root canal treatment.

  - Pulpotomy and apicoectomy.

  For more information on root canals performed in connection with an overdenture, see Class III Covered Services and Supplies below.

- General anesthesia or intravenous sedation, but not both, when administered by a licensed dentist in connection with certain covered:

  - Endodontic surgery.

  - Oral surgery.

  - Periodontic surgery.

- Oral surgery, including:

  - Preparation of the alveolar ridge and soft tissues of the mouth to insert dentures.

  - Surgical and nonsurgical extractions.

  - Treatment of pathological conditions and traumatic facial injuries.

- Periodontics—surgical and nonsurgical procedures to treat tissues that support the teeth, including:

  - Gingivectomy.

  - Limited adjustments to occlusion (8 or fewer teeth), such as smoothing teeth or reducing cusps.

  - Osseous surgery, once in each 3-year period per area.

  - Periodontal scaling or root planing, in each 2-year period.

  - Site-specific therapies for patients with pockets of at least 5 mm but not more than 10 mm.

- Restorative services:

  - Amalgam, composite, or filled resin restorations (fillings).

  - Stainless steel crowns.

  - Composite or filled resin restorations placed in the front surface of bicuspids.

- Restorations on the same surface or surfaces of a tooth are covered once in a 2-year period. Stainless steel crowns are covered once in a 5-year period (once in a 2-year period for primary teeth).

- If a composite or plastic restoration is placed on a posterior tooth, the plan covers up to the amount allowed for an amalgam restoration. If a tooth can be adequately restored with a filling material but a crown, inlay, or onlay is elected instead, the plan covers the restoration as if a filling material had been used.

- The plan does not cover restorations necessary to correct vertical dimension or to alter morphology (shape) or occlusion, overhang removal, or recontouring or polishing a restoration.

Class III Covered Services and Supplies

The plan covers the following Class III services and supplies:

- Prosthodontics, including:

  - A cast chrome or acrylic partial denture. If a more elaborate or precision device is used, the plan covers up to the appropriate amount for covered partial dentures.

  - A fixed bridge.

  - A full denture, immediate denture, or overdenture. For any other procedure (such as personalized restorations or specialized treatment), the plan covers up to the appropriate amount for a full denture, immediate denture, or overdenture. Root canal treatment in conjunction with overdentures is limited to 2 teeth per arch.

  - Crown buildups when approved by the service representative, once in each 2-year period.

  - Denture adjustments and relines provided more than 6 months after initial placement. Later relines and jump rebases (but not both) are covered once in each 1-year period.

  - Replacement of an existing prosthetic device once in each 5-year period if it is unserviceable and cannot be made serviceable. (Services to correct the device, if serviceable, are covered.)

  - Stayplate dentures to replace anterior teeth during the healing period or, for children age 16 or younger, to replace missing anterior permanent teeth.

- Restoration of a visibly decayed hard tooth surface (carious lesion) to a state of proper function by using crowns (including stainless steel crowns), inlays, or onlays (gold, porcelain, plastic, gold substitute casting, or a combination of these materials) once in each 5-year period. Your dentist must verify that the tooth cannot be restored with filling materials (amalgam, composite, plastic, or glass ionomer).

- Surgical placement or removal of implants or attachments to implants. Replacement is covered only after 5 years have elapsed and only if the implant or superstructure is not serviceable and cannot be made serviceable.

- Use of a crown as an abutment to a partial denture only when the tooth is decayed to the extent a crown would be required whether or not a partial denture is required.

Class IV Covered Services and Supplies

Orthodontic services and supplies are in Class IV. The plan covers:

- Nightguards and occlusal splints.

- Straightening of teeth, including correction or prevention of malocclusion.

To facilitate benefit payments, your orthodontist or you should submit the treatment plan to the service representative before treatment starts.

Pretreatment Estimate

If your dental care will be extensive, you may ask your dentist to submit a request for a pretreatment estimate, called a "predetermination of benefits." This predetermination will allow you to know in advance what procedures are covered, the amount the service representative will pay toward the treatment, and your financial responsibility.

Preferred Dental Plan Exclusions

The Preferred Dental Plan does not cover the following services or supplies.

- Analgesics such as nitrous oxide, intravenous sedation, euphoric drugs, injections, prescription drugs, or application of desensitizing agents.
- Appliances or cleaning of appliances and certain restorations as follows:
  - Appliances or restorations necessary to correct vertical dimension or to alter morphology (shape) or occlusion, overhang removal, or recontouring or polishing a restoration.
  - Cleaning of prosthetic appliances.
  - Duplicate dentures, temporary dentures, personalized dentures, or crowns and copings provided in connection with overdentures.
  - Fixed prosthodontics for children under age 16.
  - Habit-breaking appliances.
  - Replacement of a space maintainer previously covered by the plan.
- Cosmetic procedures (including laminates and tooth bleaching, whether vital or nonvital), appliances, or restorations primarily for cosmetic purposes.
- Experimental services or supplies (or related complications)—the plan does not cover experimental services or supplies whose use and acceptance as a course of dental treatment for a specific condition still are under investigation or observation. To determine whether services are experimental, the service representative uses American Dental Association guidelines and considers whether the services:
  - Are in general use in the local dental community.
  - Are proven to be safe and effective.
  - Are under continued scientific testing and research.
  - Show a demonstrable benefit for a particular dental condition.
- Other dental exclusions as follows:
  - Caries (decay) susceptibility tests.
  - Charges for services or supplies that are received while the patient is not covered under the plan.
  - Consultations or elective second opinions.

- Crowns used as abutments to a partial denture for purposes of recontouring, repositioning, or to provide additional retention, unless the tooth is decayed to the extent that a crown would be required to restore the tooth in the absence of a partial denture.

- Crowns used to repair microfractures of tooth structure when the tooth displays no symptoms.

- Diagnostic services or X-rays related to temporomandibular joints (jaw joints).

- Fees for broken appointments.

- Fees for completing insurance forms.

- Full mouth (major) occlusal adjustment.

- Gingival curettage.

- Home fluoride kits.

- Hospitalization charges or any additional dental fees associated with hospitalization.

- Iliac crest or rib grafts to alveolar ridges.

- Injuries or conditions covered under workers' compensation or employers' liability laws.

- Oral hygiene or dietary instruction.

- Orthognathic surgery.

- Patient management problems.

- Periodontal splinting; any crown or bridgework provided with periodontal therapy or periodontal appliances.

- Plaque control programs.

- Porcelain or resin inlay bridges.

- Proposed treatment plan review or case presentation by the attending dentist.

- Restorations on the same surface or surfaces of a tooth within 2 years of the original service.

- Ridge extension to insert dentures (vestibuloplasty).

- Services or supplies covered by any Federal, state, or provincial government agency or provided without cost by any municipality, county, or other political subdivision or community agency. However, if government agency payments are insufficient for covered services or supplies or if benefits are provided by a government agency as an employer to its employees, dental coverage will not be excluded and will be subject to coordination of benefits.

- Services or supplies to the extent that benefits are payable for them under any motor vehicle medical, motor vehicle no-fault, uninsured motorist, underinsured motorist, personal injury protection (PIP), commercial liability, homeowner's policy, or other similar type of coverage.

- Services specifically excluded in this plan description and all other items that are not specifically included in this plan as covered dental benefits.

- Study or diagnostic models.

- Tooth transplants or materials placed in extraction to generate osseous filling.

- Treatment of temporomandibular (jaw) joints.

How Dental Coverage May Be Extended

The plan generally does not cover services or supplies that you receive while you are not covered under the plan. However, the plan will cover certain services and supplies for an additional period after the date coverage would otherwise end. These services and supplies and the conditions for extending care are described below if the dentist started the course of treatment before your coverage ends:

- A crown that is required to restore a tooth (independent of the crown's use in connection with a partial denture) if the tooth is prepared for the crown while you are covered and the crown is installed during the 31 days after your coverage ends.

- A prosthetic device (including abutment crowns of a partial denture) if the impressions are taken while you are covered and the device is installed or delivered within 31 days after your coverage ends.

- Orthodontia care provided within 3 calendar months after your coverage ends.

- Restorative, endodontic, periodontic, and oral surgical procedures completed within 31 days after your coverage ends.

SCHEDULED DENTAL PLAN SUMMARY

The Scheduled Dental Plan described here is available to active employees and their dependents. This plan helps you and your covered dependents pay for minor and major dental work, including routine examinations, crowns, and orthodontia.

The Scheduled Dental Plan reimburses you and your covered dependents for necessary dental care received from any licensed dentist based on a schedule of maximum covered charges. Your out-of-pocket cost will vary depending on the type of treatment you receive and, in many cases, on your dentist's charges. This plan is available in all areas of the country.

Annual Deductible

Generally, the annual deductible is the amount you must pay out of your own pocket each benefit year before the plan begins to pay benefits. The deductible applies to most covered services and supplies. The following services and supplies are excluded from the annual deductible:

- Examinations, including specialist examinations and emergency oral exams.

- Fissure sealants.

- Fluoride treatments.

- Prophylaxis (teeth cleaning), including periodontal cleanings.

- X-rays.

This means that the plan begins to pay immediately for these basic dental services. Certain limits apply; see the Scheduled Dental Plan Schedule of Covered Services in this document.

This plan has an individual annual deductible and a family annual deductible. If you and 3 or more of your dependents are covered under the plan, the family annual deductible limits the total annual deductible you will be required to pay in any benefit year.

The annual deductibles are shown in the following Scheduled Dental Plan Schedule of Benefits.

Maximum Covered Charges
The plan pays the maximum covered charges listed in the Scheduled Dental Plan Schedule of Covered Services in this document for necessary dental services and supplies. If 2 or more covered services are received at the same time, the plan pays up to the scheduled benefit for each service, unless the schedule has a maximum for a particular combination of services.

In addition, certain other dental treatments may be covered even though they are not listed in the schedule; details are available from the service representative. (See Predetermination of Benefits in this document.)

Scheduled Dental Plan Schedule of Benefits
The Scheduled Dental Plan is administered by Aetna (the service representative).

Annual Deductible (based on the January 1 – December 31 benefit year)	$25 per individual; $75 per family of 3 or more, but not more than $25 per individual.
• Diagnostic and preventive care	• Plan pays up to the amounts listed in Scheduled Dental Plan Schedule of Covered Services. • Annual deductible does not apply to examinations, X-rays, cleaning, fluoride treatment, and fissure sealants.
• Minor and major restorations • Endodontics and periodontics • Prosthodontics • Oral surgery • Orthodontia	• Plan pays up to the amounts listed in Scheduled Dental Plan Schedule of Covered Services. • Annual deductible applies.
Annual Maximum Benefit (generally for all services and supplies, except orthodontia)*	$2,000 per individual.
Lifetime Maximum Benefit (for orthodontia)**	$2,000 per individual.

*When multiple treatment dates are required, the charges apply toward the annual maximum benefit for the benefit year in which the procedure is completed. (A prosthesis is considered complete on the date it is seated or delivered.)
**This lifetime maximum benefit for orthodontia applies to all periods during which the person is covered under any Company-sponsored dental plan.

Scheduled Dental Plan Schedule of Covered Services
The Scheduled Dental Plan is administered by Aetna (the service representative)

American Dental Association Code	Service or Supply	Maximum Allowable Fee ($)
	Diagnostic	
	Examinations (limited to 1 per course of treatment).	
D0150	Comprehensive oral evaluation.	48
D0120	Periodic oral exam (limited to twice in a 1-year period).	26
D0140	Limited oral evaluation.	37

American Dental Association Code	Service or Supply	Maximum Allowable Fee ($)
	Radiographs (X-rays)	
	Complete Mouth X-rays (limited to once in a 5-year period)	
D0210	Intraoral (including bitewings).	69
D0330	Panoramic (limited to once in a 36-month period).	53
	Intraoral Periapical	
D0220	Single, first film.	14
D0230	Each additional film.	11
	Bitewings (limited to once in a 12-month period)	
D0270	Single film.	13
D0272	2 films.	21
D0274	4 films.	32
	Preventive	
	Prophylaxis (limited to once in a 4-month period)	
D1110	Age 14 and over.	58
D1120	To age 14.	37
	Fluoride Treatment (limited to once in a 6-month period)	
D1203/D1204	Topical application of fluoride.	21
	Fissure Sealants (to age 16)	
D1351	Topical application of fissure sealants (per quadrant).	26
	Minor Restorations	
	Amalgam Restorations	
D2140	Primary or permanent – 1 surface.	58
D2150	Primary or permanent – 2 surfaces.	74
D2160	Primary or permanent – 3 surfaces.	95
D2161	Permanent – 4 surfaces.	116
D2951	Pin Retention – exclusive of amalgam.	16
	Other Minor Restorations	
D2330	Resin – 1 surface anterior.	69
D2331	Resin – 2 surfaces anterior.	90
D2332	Resin – 3 surfaces anterior.	116
D2335	Resin – 4 or more surfaces anterior.	127
D2391	Resin-based composite – 1 surface (primary or permanent).	74
D2392	Resin-based composite – 2 surfaces (primary or permanent).	100
D2393	Resin-based composite – 3 surfaces (primary or permanent).	127
	Major Restorations	
	Inlays and Onlays	
D2510	Gold inlay – 1 surface.	217
D2520	Gold inlay – 2 surfaces.	275
D2530	Gold inlay – 3 surfaces.	317
D2542	Metallic onlay – 2 surfaces.	379
D2543	Metallic onlay – 3 surfaces.	412
D2544	Metallic onlay – 4 surfaces.	412
D2910	Recement inlay.	32
	Crowns	
D2720	Resin with high noble metal.	380
D2721	Resin with predominantly base metal.	380
D2722	Resin with noble metal.	380
D2740	Porcelain/ceramic noble.	380

American Dental Association Code	Service or Supply	Maximum Allowable Fee ($)
D2750	Porcelain fused to high noble.	380
D2751	Porcelain to predominantly base metal.	380
D2752	Porcelain fused to noble.	380
D2790	Full cast high noble metal.	380
D2791	Full cast predominantly base metal.	380
D2792	Full cast noble metal.	380
D2782	Crown 3/4 cast noble metal.	380
D2930/D2931	Stainless steel.	85
D2970	Temporary (fractured tooth).	63
D2950	Crown buildup.	116
D2920	Recement crown.	42
	Endodontics	
D3110	Pulp cap – direct.	32
D3120	Pulp cap – indirect.	26
D3220	Vital pulpotomy.	69
	Root Canal Therapy (includes treatment plan, clinical procedures, and follow-up care; excludes final restoration)	
D3310	Single rooted.	312
D3320	Bi-rooted.	412
D3330	Tri-rooted.	512
D3410	Apicoectomy (performed as a separate surgical procedure).	412
	Periodontics	
	Nonsurgical Services	
D0180	Comprehensive periodontal evaluation.	74
D4910	Periodontal prophylaxis (limited to once in a 4-month period).	79
D9951	Occlusal adjustment (limited).	106
D9952	Occlusal adjustment (complete).	306
D4341	Periodontal scaling and/or root planing (per quadrant).	95
	Surgical Services	
D4210	Gingivectomy (per quadrant).	291
D4260	Osseous surgery (per quadrant).	644
D4271	Free soft tissue grafts.	417
D7340	Vestibuloplasty.	349
	Prosthodontics	
	Dentures (includes 6 months post-delivery care)	
D5110/D5120	Complete upper or lower.	481
D5130/D5140	Immediate upper or lower.	528
D5211/D5212	Partial upper or lower acrylic base (including any conventional clasps and rests).	317
D5213/D5214	Partial upper or lower, predominantly cast base with acrylic saddles (including any conventional clasps and rests).	581
	Related Denture Services	
D5410–D5422	Denture adjustment (complete or partial).	34
D5510	Repair denture (no teeth damage).	48
D5520	Replace missing or broken tooth (per tooth).	48
D5710–D5721	Denture conversion.	148
D5730–D5741	Reline denture – office.	79
D5750–D5761	Reline denture – lab.	148

American Dental Association Code	Service or Supply	Maximum Allowable Fee ($)
	Bridgework	
D6240–D6242	Pontic – porcelain high noble, noble, and predominantly base.	370
D6250–D6252	Pontic – resin high noble, noble, and predominantly base.	370
D6930	Recement bridge.	63
	Oral Surgery	
	Extractions (includes local anesthesia and routine postoperative care)	
D7140	Extraction, erupted tooth or exposed root.	63
D7210	Erupted tooth.	127
D7220	Impacted tooth – soft tissue.	143
D7230	Impacted tooth – partially bony.	185
D7240	Impacted tooth – completely bony.	227
D7250	Root recovery (per tooth).	132
	Related Oral Surgical Procedures	
D7310	Alveoplasty – per quadrant.	106
D7510	Incision and drainage of abscess – intraoral.	85
D7960	Frenectomy (separate procedure).	190
	General Anesthesia (not covered when provided at a hospital)	
D9220	First 30 minutes.	185
D9221	Each additional 15 minutes (or major fraction thereof).	63
	Orthodontia	
	(coverage for employees and dependents)	
	50% of covered charges to a lifetime maximum benefit of $2,000 per individual	

In addition to the limits shown in the schedule above, the plan also limits the following services and supplies:

- Replacement of dentures and bridgework is covered once in a 5-year period if it is unserviceable and cannot be made serviceable.

- Replacement of temporary denture or bridgework with permanent denture or bridgework is covered only if necessary and occurs within 12 months from the date the temporary denture or bridgework is installed.

Fissure sealants are covered to age 16 only for permanent molars with chewing surfaces intact, no caries (decay), and no restorations. Repair or replacement of a fissure sealant within 3 years is considered part of the original service.

Predetermination of Benefits

Before you receive expensive dental treatment or services and supplies not listed in the Scheduled Dental Plan Schedule of Covered Services, you or your dentist should request a predetermination of benefits under the plan. This is a review by the service representative of your dentist's description of planned treatment and expected charges, including charges for related services.

The service representative will tell you in advance which procedures the plan will cover, the amount that the plan will pay toward treatment, and your out-of-pocket costs. The amount covered will be consistent with the allowances listed in the Scheduled Dental Plan Schedule of Covered Services.

Scheduled Dental Plan Exclusions

The Scheduled Dental Plan does not cover the following services or supplies:

- Anesthetics, administration of anesthetics, or anesthetic supplies or drugs, except general anesthesia when medically necessary.
- Charges that would not have been made if no dental plan existed, or charges that you or your dependents are not required to pay.
- Costs that exceed the allowances listed in the Scheduled Dental Plan Schedule of Covered Services or the usual and customary fee as determined by the service representative.
- Experimental services or supplies (or related complications) whose use and acceptance as a course of dental treatment for a specific condition still are under investigation or observation. To determine whether services are experimental, the service representative uses American Dental Association guidelines and considers whether the services
  - Are in general use in the local dental community.
  - Are proven to be safe and effective.
  - Are under continued scientific testing and research.
  - Show a demonstrable benefit for a particular dental condition.
- Fees for completing claim forms.
- Fees for missed appointments.
- Fees that are not reasonable for the services performed.
- Injuries or conditions covered under a workers' compensation law.
- Myofascial pain dysfunction syndrome.
- Orthodontia treatment, including correction or prevention of malocclusion, except as specifically provided for under the plan.
- Periodontal splinting and bridgework.
- Procedures (including personalization or characterization of dentures) primarily or partly for cosmetic purposes.
- Replacement of a lost or stolen prosthetic appliance or an appliance damaged by abuse, misuse, or neglect.
- Services or supplies received because of past or present service in the armed forces of a government.
- Services or supplies received while the patient is not covered under the plan.
- Services or supplies that are paid or provided under government law. (However, if the government, as an employer, provides benefits to its employees, dental coverage will not be excluded and will be subject to coordination of benefits.)
- Temporomandibular joint treatment.

- Treatment by a professional other than a dentist or licensed dental hygienist under the supervision and direction of the dentist.

- Treatment of an injury or illness that is not necessary or is not recommended or approved by the attending dentist.

How Dental Coverage May Be Extended

The plan generally does not cover services and supplies that you receive while you are not covered under the plan. However, the plan will cover certain prosthetic devices and crowns described below:

- Prosthetic device (including abutment crowns of a partial denture) if the impressions are taken while you are covered and the device is delivered and installed within two months after your coverage ends.

- Crown that is required for restoring a tooth (independent of the crown's use in connection with a partial denture) if the tooth is prepared for the crown while you are covered and the crown is placed within two months after your coverage ends.

PREPAID DENTAL PLAN DESCRIPTION OF BENEFITS

The Prepaid Dental Plan is administered by DeltaCare USA
(the service representative).

Participating Providers	
• Necessary Care	You select a participating provider to supply necessary dental care for you and your covered dependents.
• Orthodontic Care	Orthodontic care may be obtained from any licensed dentist.
Payment Levels	
• Necessary Care	Covered dental services are provided at no cost to you and your covered dependents.
• Optional Treatment	You are responsible for charges above the cost of standard covered services.
• Orthodontic Care	The plan pays 50% of covered charges for orthodontic services.
• Emergency Care	The plan pays up to $50 of reasonable charges for out-of-area emergency services and supplies.
Lifetime Maximum Benefits	
• Necessary Care	No lifetime maximum applies.
• Orthodontic Care	$2,000 per individual.

COORDINATION OF BENEFITS

If you or your dependent has medical, dental, or other health coverage in addition to being covered under these medical and dental plans, the following rules govern coordination of benefits with the other coverage. Other coverage includes, whether insured or uninsured, another employer's group benefit plan, other arrangement of individuals in a group, Medicare (to the extent allowed by law), individual insurance or health coverage, and insurance that pays without consideration of fault.

The service representative has the right to obtain and release any information or recover any payment it considers necessary to administer these provisions.

Order of Payment

The primary plan pays its benefits first and pays its benefits without regard to benefits that may be payable under other plans. When another plan is the primary plan for health care coverage, the secondary plan pays the difference between the benefits paid by the primary plan and what would have been paid had the secondary plan been primary.

- A plan is considered primary if:
  - It has no order of benefit determination rules.
  - It has benefit determination rules that differ from coordination of benefit rules under state regulations or, if not insured, that differ from these rules.
  - All plans that cover an individual use the same coordination of benefit rules, and under those rules, the plan is primary.
- If the aforementioned rules do not determine which group plan is considered primary, this plan applies the following coordination of benefit rules:
  - A plan that covers a person as an employee, retiree, member, or subscriber pays before a plan that covers the person as a dependent.
  - A plan that covers a person as an active employee or dependent of an active employee is primary. The plan that covers a person as a retired, laid-off, or other inactive employee or as a dependent of a retired, laid-off, or other inactive employee is secondary.
  - If a dependent child is covered under both parents' group plans, the child's primary coverage is provided through the plan of the parent whose birthday comes first in the calendar year, with secondary coverage provided through the plan of the parent whose birthday comes later in the calendar year.
  - If a dependent child's parents are divorced or separated and a court decree establishes financial responsibility for the health care coverage of the child, the plan of the parent with such financial responsibility is the primary plan of coverage. If the divorce decree is silent on the issue of coverage, the following guidelines are used:
    - The plan of the parent with custody pays benefits first.
    - The plan of the spouse of the parent with custody pays second.
    - The plan of the parent without custody pays third.
    - The plan of the spouse of the parent without custody pays fourth.
  - If none of the aforementioned rules establishes which group plan should pay first, then the plan that has covered the person for the longest period is considered the primary plan of coverage.
  - Continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, always is secondary to other coverage, except as required by law.
  - If an employee or dependent is confined to a hospital when first becoming covered under this plan, this plan is secondary to any plan already covering the employee or dependent for the eligible expenses related to that hospital admission. If the employee or dependent does not have other coverage for hospital and related expenses, this plan is primary.

Benefits under a Company-sponsored medical or dental plan are not coordinated with benefits paid under any other group plan offered by the Company. You can receive benefits from only 1 Company-sponsored medical or dental plan. However, when dental services performed by a licensed dentist also are covered under the medical plan, the dental plan pays its benefits first and the medical plan is secondary.

Federal rules govern coordination of benefits with Medicare. In most cases, Medicare is secondary to a plan that covers a person as an active employee or dependent of an active employee. Medicare is primary in most other circumstances.

Medical Plans

The primary plan pays benefits without regard to any other plan. When the Company-sponsored plan is secondary, it adjusts benefits so that the total payable under both plans for expenses covered under the Company-sponsored plan is not more than would be payable under the Company-sponsored plan. Neither plan pays more than it would without coordination of benefits.

Plan means any plan providing medical, dental, vision care, hearing aid benefits, or treatment under individual insurance, group insurance, or any other coverage for individuals in a group, whether on an insured or uninsured basis.

Treatment of end-stage renal disease is covered by the Company-sponsored plan for the first 30 months following Medicare entitlement due to end-stage renal disease, and Medicare provides secondary coverage. After this 30-month period, Medicare provides primary coverage and the Company-sponsored plan provides secondary coverage.

Coordination of benefit provisions of Company-sponsored coordinated care plans and HMO plans vary by plan.

Dental Plans

Benefits payable under the Company-sponsored dental plans take into account any coverage (including orthodontic coverage) you or your eligible dependents have under other plans.

Plan means any plan providing medical, dental, vision care, hearing aid benefits, or treatment under group insurance or any other coverage for individuals in a group, whether on an insured or uninsured basis. However, plan excludes any medical plan sponsored by the Company. This means the dental plans pay first when dental expenses performed by a dentist also are covered by any medical plan sponsored by the Company.

The dental plans pay regular benefits in full or a reduced amount which, when added to benefits payable by another plan, equals 100% of allowable expenses.

WHEN AN INJURY OR ILLNESS IS CAUSED BY THE NEGLIGENCE OF ANOTHER—HEALTH CARE

In some situations, you or a covered dependent may be eligible to receive, as a result of an accident or illness, health care benefits from an automobile insurance policy, homeowner's insurance policy or other type of insurance policy, or from a responsible third party. In these cases, this plan will pay benefits if the covered person agrees to cooperate with the service representative in administering the plan's subrogation rights.

If a person covered by this plan is injured by another party who is legally liable for the medical or dental bills or disability income, he or she may request this plan to pay its regular benefit on his or her behalf. In exchange the covered person agrees to:

- Complete a claim and submit all bills related to the injury or illness to the responsible party or insurer.

- Complete and submit all of the necessary information requested by the service representative.

- Reimburse the plan if he or she recovers payment from the responsible party or any other source.

- Cooperate with the service representative's efforts to recover from the third party any amounts this plan pays in benefits related to the injury or illness, including any lawsuit brought against the responsible party or insurer.

This provision applies whenever you or a covered dependent is entitled to or receives benefits under this plan and is also entitled to or receives compensation or any other funds from another party in connection with that same disability or medical condition, whether by insurance, litigation, settlement, or otherwise. The plan is entitled to such funds to the extent of plan benefits paid to or on behalf of the individual, whether or not the individual has been "made whole," and without regard to any common fund doctrine. This plan may recover such funds by constructive trust, equitable lien, right of subrogation, reimbursement, or any other equitable or legal remedy.

If an individual fails, refuses, or neglects to reimburse the plan or otherwise comply with the requirements of this provision, or if payments are made under the plan based on fraudulent information or otherwise in excess of the amount necessary to satisfy the provisions of the plan, then, in addition to all other remedies and rights of recovery that the plan may have, the plan has the right to terminate or suspend benefit payments and/or recover the reimbursement due to the plan by withholding, offsetting, and recovering such amount out of any future plan benefits or amounts otherwise due from the plan to or with respect to such individual. The plan also has the right in any proceeding at law or equity to assert a constructive trust, equitable lien, or any other equitable or legal remedy or recovery, against any and all persons who have assets that the plan can claim rights to. The plan has the right of first recovery from any judgment, settlement or other payment, regardless of whether the individual has been "made whole," and without regard to any common fund doctrine.

TERMINATION OF COVERAGE

Life Insurance Coverage
Life insurance coverage stops on the date your active employment terminates.

You may convert your life insurance coverage to an individual life insurance policy. This individual policy will be issued, without medical examination, at the insurer's regular rates. The amount of life insurance converted cannot exceed the amount in force on the date insurance terminates.

To apply for conversion, you must complete the appropriate application and make your first premium payment to the service representative within 31 days after the date coverage ends or the date the Boeing Service Center provides written notice of your conversion rights (provided the notice is sent within 90 days of when coverage ends), whichever is later.

If, after an individual conversion policy is issued, benefits under the Life Insurance Plan are continued due to total disability, the individual policy must be surrendered without claim other than the return of paid premiums.

If you die during your conversion period, a life insurance benefit is payable equal to the amount you could have converted to an individual policy.

AD&D Coverage
AD&D coverage stops on the date your active employment terminates.

Short-Term Disability Coverage
Short-term disability coverage stops on the date your active employment terminates.

Medical Coverage
Medical coverage for you and your dependents stops at the end of the calendar month your active employment terminates or the end of the last month required contributions are paid, whichever occurs first. If earlier, your dependent's coverage stops at the end of the month in which he or she no longer qualifies as a dependent.

However, coverage may be continued under certain circumstances as specified below. Any required contributions must be paid during these periods for coverage to continue.

If you are terminating employment, the service representative will make available an individual program of medical benefits similar to those then being issued for group conversion. The benefits provided under the individual plan will not exactly duplicate the benefits provided under this group medical plan. This conversion privilege is also available to your covered dependents who cease to qualify under the group policy and to surviving covered dependents if you die. No evidence of insurability is required.

Dental Coverage
Dental coverage for you and your dependents stops at the end of the calendar month your active employment terminates. If earlier, your dependent's coverage stops at the end of the calendar month in which he or she no longer qualifies as a dependent.

However, coverage may be continued under certain circumstances as specified below. Any required contributions must be paid during these periods for coverage to continue.

Retirement
If you are eligible for, and enroll in, a retiree medical plan, medical coverage for you and your dependents ends at the end of the month following the month in which your active employment ends.

Change in Eligible Class of Employment
When you remain employed by the Company but no longer in the class eligible for coverage under this Package, coverage for you and your dependents stops at the end of the month in which your transfer is effective. If you become totally disabled before coverage ends under the Package, the life insurance, AD&D, and short-term disability benefits of the Package, which would have continued if you had stayed in the eligible class, will continue according to the terms governing benefits during leaves of absence instead of all other Company life insurance, AD&D, and disability benefits.

Continuation of Medical and Dental Coverage (COBRA)
If medical and dental coverage for you and your dependents (including a same-gender domestic partner and his or her children) otherwise would terminate due to one of the following reasons, these benefits may continue for specified periods under Public Law 99 272, Title X, as amended, if the individual makes a timely request to the Company and pays the required contribution.

- Reduction in hours or termination of employment for any reason.
- Your death.
- Your divorce or dissolution of a same-gender domestic partner relationship.
- A dependent child ceasing to be a dependent as defined under this Package. (A child eligible to be continued under the Package's incapacitated child provision will still be considered to have dependent status.)
- Your dependent's loss of eligibility because you became eligible for Medicare.

If you are laid off, the Company will contribute to the cost of COBRA medical and dental coverage for you and your dependents. Company contributions will continue at the same rate as for active employees until you are covered by any other group medical or dental plan either as an active employee or as

a dependent, but in no event beyond the expiration of the COBRA period or 3 months after the date of layoff, whichever occurs first.

If you die (other than from an industrial accident), the Company will contribute to the cost of your dependents' COBRA medical and dental coverage for up to 12 months. Your dependents' contributions for the first 12 months of COBRA medical and dental coverage will be the same as for dependents of active employees.

If you die from an industrial accident, the Company will contribute to the cost of your dependents' COBRA medical and dental coverage for up to 36 months. Your dependents' contributions for COBRA medical and dental coverage will be the same as for dependents of active employees.

LEAVES OF ABSENCE

When you are absent with leave, coverage may continue as follows; any required contributions must be paid during these periods for coverage to continue.

Approved Medical Leaves of Absence

If you are eligible for coverage and begin an approved medical leave of absence due to a total disability, you are eligible for the Package the same as an active employee until the last day of the calendar month in which your leave began. (Your eligible dependents also are eligible for medical and dental benefits.)

If you are totally disabled and remain on an approved medical leave of absence that extends beyond this period, your life insurance, AD&D, short-term disability, medical, and dental benefits (and dependent medical and dental benefits) continue up to 6 full consecutive calendar months during the approved medical leave with Company contributions.

If the approved medical leave extends beyond this 6-month period due to continuous total disability, your medical coverage continues for up to an additional 24 months with Company contributions. Medical coverage ends earlier if you become eligible for Medicare or are no longer considered totally disabled. You also may continue the life insurance, AD&D, and dental benefits (and medical and dental benefits for eligible dependents) during this time by paying 100% of the cost of coverage on or before the tenth day of the month in which they are due.

If you or your covered dependent is considered disabled by Social Security during the seventh or eighth month of the absence, you may continue medical and dental coverage for yourself and eligible dependents for up to 5 additional months by paying 150% of the cost of coverage.

Medical and dental coverage continued after the sixth calendar month of medical leave is considered COBRA continuation coverage.

Other Approved Leaves of Absence

If you are eligible for coverage and begin an approved leave of absence, you are eligible for the Package the same as an active employee until the last day of the calendar month in which your leave began. (Your eligible dependents also are eligible for medical and dental benefits.)

If the approved leave extends beyond this time, your life insurance, AD&D, short-term disability, medical, and dental benefits (and dependent medical and dental benefits) continue for up to 3 full consecutive calendar months with Company contributions.

After this 3-month period, you may continue medical and dental coverage for up to an additional 21 months by self-paying 100% of the cost of coverage; this is considered COBRA continuation coverage. You also may continue life insurance coverage for the duration of the approved leave of absence by self-paying 100% of the cost of coverage.

Family and Medical Leave Act of 1993

If the required coverage for family and medical leaves of absence under the Family and Medical Leave Act of 1993 is more generous than that already described here, the Company provides any required additional coverage under its group health plans.

Uniformed Services Leave of Absence

If you take a leave of absence for service in the U.S. uniformed services (including the military, National Guard, and the Commissioned Corps of the Public Health Service), you are covered under the Package until the end of the month in which your leave began. If you remain on an approved leave of absence, coverage under the Package continues until the end of the third full calendar month of the leave as if you were an active employee on an approved nonmedical leave of absence.

If uniformed service extends beyond 3 months, you will be offered COBRA coverage that will start the beginning of the fourth full calendar month of your leave. You must enroll in COBRA coverage in order for coverage to continue. You may continue COBRA coverage for an additional 21 months while your uniformed services leave continues, in accordance with your rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

During a temporary period after September 11, 2001, military leave of absence can be extended for a total of 60 months if your military leave is associated with the September 11, 2001 terrorist attacks on the United States or subsequent military action related to those attacks, including the war in Iraq. Your life insurance, medical, and dental coverage continue during this period. The cost of coverage during this 60-month period is the same as for active employees.

Your COBRA continuation period runs concurrently with coverage during USERRA leave.

If you return to active employment promptly after uniformed service, according to USERRA, the Package is reinstated on the date you return to the active payroll.

Changes in Leave Types

If your type of leave changes from a medical leave of absence to a nonmedical leave of absence (or vice versa), your periods of leave will be considered separate leaves of absence. However, if the type of your nonmedical leave of absence changes (for example, from family leave to personal leave), your maximum period of coverage in your new leave category will be reduced by the number of days or months for which you already received an extension of your active coverage.

Successive Periods of Leaves of Absence

Two medical leaves of absence separated by less than 30 days of continuous work are considered 1 leave of absence unless the second leave is due to entirely unrelated conditions.

Group Benefits Package for Professional Employees Represented by SPEEA

Retiree Medical Plan
ATTACHMENT B
Technical Unit

November 14, 2008

ATTACHMENT B

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ELIGIBILITY

You are eligible for the retiree medical plan if you retire from the service of the Company under the Company-sponsored retirement plan as follows:

- You are an active employee and age 55 or older with 10 or more years of vesting service under a Company-sponsored retirement plan.

- You are disabled, become eligible for disability benefits under the Company-sponsored retirement plan, and are age 50 or older with 10 or more years of vesting service at retirement.

- You are on an approved leave of absence, you are age 55 or older with 10 or more years of vesting service at retirement, and you retire under the Company-sponsored retirement plan directly from your approved leave of absence.

- You are on layoff, you are at least age 55 with 10 or more years of vesting service at retirement, and you retire under the Company-sponsored retirement plan within 6 years following your layoff.

If you are eligible for retiree medical coverage as described above, you can defer your retiree medical coverage or receipt of your retirement plan benefit. See Effective Date of Retiree Medical Coverage and the Deferred Enrollment section of Retiree Medical Plan Enrollment for more information. If you are hired on or after January 1, 2007, you will not be eligible for retiree medical coverage when you retire from the Company. For purposes of determining retiree medical plan eligibility, you are considered to be hired before January 1, 2007, if:

- You are on an authorized leave of absence on December 31, 2006, and return to active employment directly from that authorized leave of absence.

- You are on layoff on December 31, 2006, and return to active employment within 6 years following your layoff.

- You are an active employee on December 31, 2006, go on an authorized leave of absence, and return to active employment directly from that authorized leave of absence.

- You are an active employee on December 31, 2006, are laid off, and return to active employment within 6 years following your layoff.

You are no longer eligible for coverage under the retiree medical plan after attaining age 65 or becoming eligible for Medicare.

Eligible Dependents of Retired Employees

Dependents eligible for the retiree medical plan are your legal spouse (as recognized under both applicable state law and the Internal Revenue Code) and children (natural children, adopted children, children legally placed with you for adoption, and stepchildren) who are under age 25, unmarried, and dependent on you for principal support.

You may request coverage for the following dependents:

- An opposite-gender common law spouse if the relationship meets the common-law requirements for the state where you entered into the common-law relationship.

- A same-gender domestic partner if:

  - You and your partner live in the same permanent residence in a permanent, exclusive, emotionally committed, and financially responsible relationship similar to a marriage.

- Your partner is at least 18 years old, is not related to you by blood, is not married to or separated from another person, and is not involved in another domestic partner relationship.

- Your domestic partner relationship is not solely to obtain coverage under the Plan.

- Unmarried children of your same-gender domestic partner who are under age 25 and dependent on you for principal support. These children are considered stepchildren for the purpose of the medical plans.

- Other children, as follows, who are under age 25, unmarried, and dependent on you for principal support:

  - Children who are related to you either directly or through marriage (e.g., grandchildren, nieces, nephews).

  - Children for whom you have legal custody or guardianship (or for whom you have a pending application for legal custody or guardianship) and are living with you.

Proof of dependent eligibility will be required.

In accordance with Federal law, the Company also provides medical coverage to certain dependent children (called alternate recipients) if the Company is directed to do so by a qualified medical child support order (QMCSO) issued by a court or state agency of competent jurisdiction.

Documentation is required to request coverage for dependents, including a child named in a QMCSO or a child for whom you have been given legal custody or guardianship, or a spouse or same-gender domestic partner. You must provide the Boeing Service Center with any required supporting documentation by the date specified by the Boeing Service Center or your request will be denied.

Special Provisions

If you or any of your dependents is covered or becomes covered (or eligible for benefits by reason of having been covered) under another Company-sponsored plan providing medical benefits, that person is not eligible for the retiree medical plan. If you and your spouse or same-gender domestic partner are both employed by or retired from Boeing, you each must be covered by your own Boeing-sponsored medical coverage. However, if your spouse or same-gender domestic partner is a part-time Boeing employee or on an approved leave of absence or layoff, your spouse or same-gender domestic partner and eligible children are considered eligible dependents if other Boeing coverage is waived. If your spouse or same-gender domestic partner and eligible children are covered under your spouse's or same-gender domestic partner's Boeing-sponsored plan, they will be considered eligible for the retiree medical plan at the time they no longer are eligible for coverage under your spouse's or same-gender domestic partner's plan.

No person may be covered both as a retired employee and as a dependent, and no person will be considered as a dependent of more than 1 retired or active employee.

Upon your death, your spouse or same-gender domestic partner and any other covered dependents remain eligible for coverage under the retiree medical plan until the earliest of these dates:

- Your spouse or same-gender domestic partner or other dependent attains 65 years of age.

- Your spouse or same-gender domestic partner or other dependent becomes eligible for Medicare.

- The end of the last month for which contributions are paid.

Disabled Children

A disabled child age 25 or older may continue to be eligible if a physician documents that the child is incapable of self-support due to any mental or physical condition that began before age 25. You may be

required to confirm the disability from time to time. The child must be unmarried and dependent on you for principal support. Coverage may continue under the retiree medical plan for the duration of the incapacity as long as you continue to be enrolled in the plan and the child continues to meet these eligibility requirements.

Special applications for coverage are required for disabled dependent children age 25 or older.

RETIREE MEDICAL PLAN ENROLLMENT

Initial Enrollment
You and your eligible dependents automatically will be enrolled at the time you become eligible, provided you pay any required contributions. You and your dependents will be enrolled in the same plan as immediately before retirement, if available.

You may elect to change medical plans by calling the Boeing Service Center within 31 days of the date you retire. The Company will supply enrollment instructions at the time of your retirement.

All family members, including you, must be enrolled in the same medical plan.

Spouse or Same-Gender Domestic Partner Coverage
Each retired employee enrolling a spouse or same-gender domestic partner must provide information regarding coverage available through another employer to determine whether special contributions are required to enroll the spouse or same-gender domestic partner. If you do not authorize a required contribution, your spouse or same-gender domestic partner will not be enrolled for medical coverage. You will not be able to enroll your spouse or same-gender domestic partner until the date your spouse or same-gender domestic partner loses the option to be covered under the other employer-sponsored medical plan.

The Company will require periodic verification of data.

Special Enrollment Events
If you declined coverage in the retiree medical plan for yourself and/or your eligible dependents when you were first eligible because you or your dependents had other employer-sponsored medical coverage, you may enroll yourself and/or your eligible dependents if you or your dependent experiences one of these special enrollment events:

- You or your dependent loses or becomes ineligible for other employer-sponsored medical coverage because of an event such as loss of dependent status under another employer's plan (through divorce, legal separation, termination of a same-gender domestic partnership, or dependent child reaching the limiting age), death, termination of employment, reduction in hours of employment, termination of employer contributions toward the coverage, elimination of coverage for the class of similarly situated employees or dependents, moving out of the plan's service area with no other coverage available from the other employer, or reaching the lifetime limit on all benefits under the other employer's plan.

- If you or your dependent reaches the lifetime limit under a Company plan, and you are eligible for another Company plan in your area, you and your dependents may enroll in that other plan.

- You or your dependent exhausts any continuation coverage from another employer; that is, coverage provided under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), ends.

- You gain a new dependent because of marriage, same-gender domestic partnership, birth, adoption, or placement for adoption.

If you experience a special enrollment event, you can enroll yourself and/or your eligible dependents in the retiree medical plan as described above. You can enroll in any family status tier and any health plan option available to you.

Special enrollment is not available if you lose coverage because of failure to make timely premium payments or termination from the plan for cause (such as for making a fraudulent claim).

Deferred Enrollment

If you decline enrollment in the retiree medical plan because of other employer-sponsored health care coverage (such as through your spouse's or same-gender domestic partner's employer), you may be able to enroll yourself and your eligible dependents in the Company-sponsored retiree medical plan at a later date as long as enrollment is within 60 days after other coverage ends.

- If you are not enrolled in the Company-sponsored retiree medical plan and have a new dependent as a result of an event such as marriage, same-gender domestic partnership, birth, adoption, or placement for adoption, you may enroll yourself, your spouse or same-gender domestic partner, and any dependent children during the year as long as enrollment is requested within 60 days after the event by contacting the Boeing Service Center.

- If you are enrolled in the retiree medical plan and have a new dependent as a result of marriage, same-gender domestic partnership, birth, adoption, or placement for adoption, you may enroll your new dependent during the year as long as enrollment is requested within 120 days after the qualified event.

- If you are enrolled in the retiree medical plan and have not enrolled your eligible dependents because of other employer-sponsored health care coverage, you may be able to enroll your eligible dependents in the Company-sponsored retiree medical plan at a later date as long as enrollment is within 60 days after the other coverage ends. The coverage loss must be due to loss of eligibility for the health care coverage (including from divorce, legal separation, termination of same-gender domestic partnership, death, termination of employment, or reduction in hours of employment), termination of employer contributions toward such coverage, or reaching the other plan's lifetime maximum benefit.

Transfer Between Plans

Transfer between plans is permitted only during authorized annual enrollment periods or following a change of residence.

- Annual enrollment period.

  The Company establishes an annual enrollment period on or before January 1 each year when you may change medical plans.

- Change of residence.

  If you move out of an EPO, HMO, or coordinated care plan service area, you have 60 days to select a medical plan available in the new location by calling the Boeing Service Center. It is your responsibility to notify the Company of the change in residence within the 60-day period.

Status Changes

If you already are enrolled for this retiree medical coverage, you may be able to change or add an eligible dependent if you experience one of the status changes described below. Any change to your coverage must be consistent with the status change that affects your or your dependent's eligibility for Company-sponsored health care coverage or health care coverage sponsored by your eligible dependent's employer. Status changes include the following:

- You acquire a new, eligible dependent through marriage, entering a same-gender domestic partnership, birth, adoption, or placement for adoption.

- You lose a dependent through divorce, legal separation, dissolving a same-gender domestic partnership, or annulment of your marriage.
- Your covered dependent dies.
- Your covered dependent starts or stops working.
- Your covered dependent has any other change in employment status that affects eligibility for coverage such as changing from full time to part time (or part time to full time), salaried to hourly (or hourly to salaried), strike or lockout, a transfer between a nonunion salaried position and a union-represented position, or beginning or returning from an unpaid leave of absence.
- You or your covered dependent experiences a significant increase in the cost of employer-sponsored health care coverage or the employer-sponsored health care coverage ends, including expiration of COBRA coverage.
- The Company adds a new benefit option or significantly improves an existing benefit option.
- You or your covered dependent experiences a significant curtailment or cessation of employer-sponsored medical coverage.
- You or your covered dependent becomes eligible or ineligible for Medicare or Medicaid.
- Your dependent child becomes eligible for, or no longer is eligible for, health care coverage due to age limits, principal support status, or a similar eligibility requirement.
- Your covered dependent makes an enrollment change in his or her employer-sponsored health care coverage, either because of a qualified change in status or an annual enrollment.
- You or your covered dependent changes place of residence or work, affecting access to care within the current plan or access to network providers.

You also may change an election to comply with a qualified medical child support order (QMCSO) to provide or cancel coverage for a dependent child resulting from a divorce, annulment, or change in legal custody.

If you are eligible to add new dependents, you must request the dependent enrollment change within 60 days after the qualified event. You can enroll a new dependent within 120 days following your marriage or entering a same-gender domestic partnership or your dependent child's birth, adoption, or placement for adoption. Enrollment may be requested by calling the Boeing Service Center. To request enrollment for a new dependent more than 60 days but within 120 days after marriage or entering a same-gender domestic partnership, birth, adoption, or placement for adoption, you must call the Boeing Service Center and speak with a customer service representative. You must provide the Boeing Service Center with any supporting documentation by the date specified by the Boeing Service Center or your request will be denied.

You may drop coverage for yourself or your dependents at any time. However, you may reenroll only if you and your dependents are continuously covered by an employer-sponsored plan and that coverage ends, as described in Deferred Enrollment.

EFFECTIVE DATE OF RETIREE MEDICAL COVERAGE

Retired Employees

If you are a newly retired employee, the plan becomes effective on the first day of the second month following the month in which your active employment ends, provided you pay any required contributions.

If you are eligible for retiree medical coverage at the time active employment with the Company ends, or as otherwise described in Eligibility, you may:

- Defer enrollment in the retiree medical plan until the date your benefits begin under the Company-sponsored retirement plan, or
- Enroll in the retiree medical plan and defer receipt of benefit payments under the Company-sponsored retirement plan, or
- Defer enrollment in the retiree medical plan until your coverage ends under another employer-sponsored health care plan (such as through your spouse's employer), as described in the Deferred Enrollment section of Retiree Medical Plan Enrollment.

You are not eligible for the retiree medical coverage described in this Agreement after becoming eligible for Medicare or attaining age 65.

Dependents
Current eligible dependents are covered for retiree medical benefits on the same date your coverage is effective, provided proper application is made and you pay any required contributions. Eligible dependents acquired after your coverage is effective become covered on the date of marriage or entering a same-gender domestic partnership, date of birth, or date the child is legally placed with you for adoption, if application is made within 120 days of the event and you pay any required contributions. For other newly eligible dependents, coverage is effective on the date dependency is established, if application is made within 60 days and you pay any required contributions.

SUMMARY OF MEDICAL PLAN BENEFITS

The medical plans offered to retired employees are the same as the plans offered to active employees except that the TRICARE Supplement Plan is available to retirees only.

Effective January 1, 2010, benefit and plan payment provisions will be based on a benefit year of January 1 through December 31.

TERMINATION OF RETIREE MEDICAL COVERAGE

Retiree Coverage
Your medical coverage stops on whichever of the following dates occurs first:

- You attain 65 years of age.
- You become eligible for Medicare.
- The end of the last month that any required contributions are paid.

Your covered dependents can continue their coverage until they reach their termination date, as described below.

Dependent Coverage
Coverage for your eligible dependents terminates on whichever of the following dates occurs first:

- Your dependent no longer qualifies as an eligible dependent.
- Your dependent attains 65 years of age.
- Your dependent becomes eligible for Medicare.

- The end of the last month you are covered under this retiree medical plan or the Company-sponsored Medicare Supplement Plan, except in the case of your death.

- The end of the last month that any required contributions are paid.

Continuation of Medical Coverage (COBRA)
If medical coverage for your dependents otherwise would terminate due to one of the following reasons, these benefits may continue for specified periods under Public Law 99-272, Title X, as amended, if the individual makes a timely request to the Company and pays the required contribution.

- Your death.

- Your divorce or dissolution of domestic partnership.

- You become entitled to Medicare.

- Your dependent child ceases to be a dependent as defined under this plan. (A child eligible to be continued under the plan's incapacitated child provision will still be considered to have dependent status.)

Conversion Privilege
If medical coverage terminates for reasons other than voluntary cancellation of coverage or by becoming eligible for another Company-sponsored plan, the service representative will make available an individual program of medical benefits similar to those then being issued for group conversion. The benefits provided under the individual plan will not exactly duplicate the benefits provided under this group medical plan. This conversion privilege is available to your covered dependents who cease to qualify under the group policy and to surviving covered dependents if you die. No evidence of insurability is required.

TRICARE SUPPLEMENT PLAN DESCRIPTION OF BENEFITS

The plan is insured by Hartford Life and Accident Insurance Company and administered by Association & Society Insurance Corporation.
The benefits described below are for illustrative purposes only and subject to change at the discretion of the plan administrator.

Eligible Employees and Dependents*	• Individuals enrolled in TRICARE (Department of Defense coverage): – Military retirees and their dependents – Dependents of active duty military personnel
Benefits Supplementing TRICARE Standard/ Extra	• 100% of annual deductible amounts • 100% of military hospital subsistence charges • 100% of civilian hospital coinsurance amounts • 100% of outpatient services coinsurance amounts • 100% of deductibles and copayments for prescription drugs • 100% of charges in excess of usual and customary
Benefits Supplementing TRICARE Prime/POS	• 100% of HMO network and pharmacy copayments • 50% of nonnetwork deductibles • 50% of nonnetwork coinsurance amounts • 100% of charges in excess of usual and customary
Vision Care	• Provided through the Boeing vision care program
Coverage Ends	• For retiree and spouse at age 65 or earlier entitlement to Medicare • For dependent children at age 21 or 23 if full-time students

* Includes retired employees and their dependents who are not eligible for Medicare

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