

ARTICLE 10 RETIREMENT PLAN

Section 10.1 Continuation of Plan.

Subject to the approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities, as more particularly hereinafter specified, and to the provisions of Section 10.6, 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 10.2 Approval of Plan.

Approval of the Plan by the Commissioner of Internal Revenue as referred to in Section 10.1 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) 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 Section 10.1 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 10.3 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 10.4 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 procedure of Article 19 of this Agreement.

Section 10.5 Benefits

The Plan uses two formulas to determine a retired employee's pension benefit, the standard and alternate benefit formulas as described in the Plan. The retired employee will receive benefits under the formula that produces the larger monthly benefit.

Section 10.6 Changes to the Current Plan.

Subject to action by the Company's Board of Directors, or its delegates, and to the approvals specified in Section 10.2, except as the parties may otherwise agree pursuant to any Letter of Understanding, all provisions of The Boeing Company Employee Retirement Plan are to remain unchanged with the exception of the following amendments. Changes agreed to in the Collective Bargaining Agreement of September 29, 2002²⁵, are incorporated into the Plan.

10.6(a) Basic Benefit. The Basic Benefit will be increased to ~~\$7080~~.00 per month for all years of credited service for employees on the active payroll of the Company, or those on an authorized period of absence on or after January 1, 20069 (including those who retire from the employ of the Company on January 1, 20069).

10.6(b) Compensation. The definition of compensation will include payments from the Incentive Plan described in this Agreement.

10.6(~~b~~c) Effective Date of Amendments. The amendment set forth in Section 10.6(a) will take effect January 1, 20069, and will apply to Plan Participants on the active payroll, ~~layoff,~~ or on an authorized period leave of absence from the Company on or after January 1, 20069, including employees who retire effective January 1, 20069.

Section 10.7 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 Section 10.1 and described in Section 10.2 of the Agreement.

Section 10.8 Retirement Benefits for Employees in the Portland Unit.

The Company will continue to pay twenty-five cents (25¢) into Western Metal Industry Pension Fund for each compensable hour worked by each employee in the Portland Unit. In addition, effective January 1, 1981, such employees will also become participants under The Boeing Company Employee Retirement Plan as follows:

10.8(a) Employees to Whom the Boeing Plan Applies. Each employee who was employed by the Company on June 29, 1974, and remains in the employ of the Company on and after January 1, 1981, shall become a Plan participant as of June 29, 1974. Each other employee who was employed by the Company after June 29, 1974, and remains in the employ of the Company on and after January 1, 1981, shall become a Plan participant upon completion of one (1) year of eligibility service following such date of employment with the Company. All other employees who are employed by the Company on or after January 1, 1981, shall become participants in the Plan upon completion of one (1) year of eligibility service, or upon becoming an eligible employee, if later.

10.8(b) Credited Service. Plan participants will accrue Credited Service commencing on the date they became Plan participants in accordance with Section 10.8(a).

10.8(c) Eligibility for Retirement Income. Eligibility for retirement income will be based on the provisions of the Plan.

10.8(d) Amount of Retirement Income. The retirement amount of a participant at any time shall be the benefit payable under the provisions of The Boeing Company Employee Retirement Plan reduced by any accrued benefit payable from the Western Metal Industry Pension Fund on account of service with The Boeing Company.

10.8(e) Other Provisions of the Plan. With the exception of the foregoing language of Section 10.8, all other provisions of The Boeing Company Employee Retirement Plan will apply.