

TENTATIVE AGREEMENT
Engineering and Technical Units

ARTICLE 6

**~~SICK LEAVE, RESERVE ACCOUNT AND
FINANCIAL SECURITY PLAN~~**

~~Section 6.1 Establishment of Initial Eligibility for Sick Leave (December 2, 2005 through December 22, 2005).~~

~~6.1(a) Employees classified on a salaried payroll become eligible for sick leave upon completion of one (1) month continuous active service with the Company.~~

~~6.1(b) 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.~~

~~Section 6.2 Accumulation of Sick Leave (December 2, 2005 through December 22, 2005).~~

~~6.2(a) On the first workday following completion of one (1) month of continuous active service, a full-time employee will be credited with eight (8) hours sick leave. Thereafter, he or she will accumulate eight (8) hours sick leave for each month of active service to a maximum of eighty (80) hours during the first and each succeeding year of service. 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.~~

~~6.2(b) In all cases involving the transfer of an employee from one payroll to another, the provisions of the Company's procedures pertaining to sick leave, as may be revised from time to time by the Company, shall be applicable.~~

~~6.2(c) No sick leave credit will be accumulated during periods on layoff or for absence in excess of the first ninety (90) calendar days on a leave of absence. Such absence from the active payroll will reduce the monthly sick leave award, if applicable, in the proportion of 1/30th of eight (8) hours for each calendar day of absence during the month, or a comparable proportionate reduction if a part-time employee, rounded to the nearest tenth of an hour.~~

~~6.2(d) Eligibility dates and accumulated sick leave credits established prior to this Agreement will not be changed as a result of this Agreement.~~

~~Section 6.3 Use of Sick Leave (December 2, 2005 through December 22, 2005).~~

~~6.3(a) Sick leave credits are to be used only in the event of absence due to the following causes: (a) illness of employee, including physical incapacity of a female employee due to her pregnancy, (b) illness or death in the family (requiring the employee's presence), and (c) medical or dental appointment which can be scheduled only during the working hours.~~

~~6.3(b) Sick leave payments will be at the employee's base rate in effect at the time of his or her absence plus, if applicable, any supplement to the base rate approved by the Company for inclusion in sick leave pay.~~

~~6.3(c) Sick leave hours will be used from sick leave hours most recently credited.~~

~~6.3(d) Sick leave credits may be used by an employee on approved leave of absence if the requirements of 6.3(a) are met.~~

~~Section 6.4 Reserve Account (December 2, 2005 through December 22, 2005).~~

~~6.4(a) Sick leave hours credited to the employee's Reserve Account and Financial Security Plan Trust Account on the effective date of this Agreement will not be changed as a result of this Agreement.~~

~~6.4(b) The maximum allowable amount in a full-time employee's combined Reserve Account and Financial Security Plan Trust Account will be 1,800 hours. An employee who is rehired or reinstated after having been paid for his or her Reserve Account or Financial Security Plan Trust Account will be eligible for transfer of credits to his or her Reserve Account as if he or she were a new employee.~~

~~6.4(c) On each eligibility date of a full-time employee on the active payroll, up to forty hours of sick leave awarded during his or her preceding eligibility year, less any sick leave hours used in excess of forty hours during that eligibility year, will be transferred to his or her Reserve Account, subject to the "maximum allowable amount."~~

~~For a part-time employee on the active payroll, the amount of previously awarded and unused sick leave credits transferred to the Reserve Account on each eligibility date will be in the proportion the employee's actual total hours of work bear to full-time hours during the qualifying period.~~

~~6.4(d) An employee off the active payroll due to leave of absence, layoff, or military service will, upon return from leave or upon reinstatement from layoff or military service with reemployment rights, have transferred to his or her Reserve Account such sick leave credits as would normally have been transferred had the employee returned to the active payroll on his or her first sick leave eligibility date following the employee's last day on the active payroll, unless such employee has received payment under Section 6.6.~~

~~6.4(e) At the time an employee who has hours credited to his or her Reserve Account is terminated for any reason, payment shall be made for those hours credited to his or her Reserve Account at the employee's then current base rate.~~

~~6.4(f) Credits in an employee's Reserve Account will be converted in accordance with the Financial Security Plan and placed in an individual Financial Security Plan Trust Account as provided for in the Financial Security Plan.~~

~~Section 6.5 Financial Security Plan (December 2, 2005 through December 22, 2005).~~

~~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, and to the provisions of 6.5(d), 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.

~~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, 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 6.5(a) 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.

~~6.5(c) Continuation Beyond Agreement.~~ The Company shall not be precluded from continuing the Plan in effect as to employees within these units to which this Agreement relates, after expiration or termination of this Agreement, subject to the terms, conditions, and limitations of the Plan.

~~6.5(d) Changes to the Current Plan.~~ Subject to action by the Company's Board of Directors and to the approvals specified in 6.5(b), all provisions of the plan are to remain unchanged with the exception of the following amendments:

~~6.5(d)(1) Maximum Allowable Hours.~~ The maximum allowable amount in a full-time employee's combined reserve account and Financial Security Plan Trust Account will be increased 40 hours to 1,800 hours.

~~6.5(d)(2) Effective Date of Amendment.~~ The amendment set forth in 6.5(d)(1) above shall take effect December 2, 2005.

~~Section 6.6 Unreserved Sick Leave Credits (December 2, 2005 through December 22, 2005).~~ Upon retirement under the Company's retirement plan or upon layoff or death

~~while retirement eligible, employees will receive payment for 50 percent of their unreserved sick leave credits remaining on the date of retirement, layoff, or death. Such credits 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.~~

~~**Section 6.7 Current Sick Leave Account, Unused Sick Leave Account, and Financial Security Plan Effective December 23, 2005**~~

~~Effective December 23, 2005, the provisions of PRO-1004 (February 22, 2005) will apply to employees covered by this Agreement. The Union will be notified of any changes to PRO-1004.~~

~~No new contributions will be made to the Financial Security Plan with respect to Members' eligibility dates (and anniversaries thereof) occurring after December 22, 2005. 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. Unreserved sick leave credits that have not been transferred to a Reserve Account as of December 22, 2005, will be credited to an employee's Unused Sick Leave Account under PRO-1004, and will be accumulated, used, and paid or forfeited upon termination of employment in accordance with PRO-1004.~~

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. for absences that exceed the days allowed in Section 6.5.

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 80 hours per sick leave eligibility year. These hours are available for use in the current sick leave account.

- o 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.
- o 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 ours are rounded to 1/10 of an hour.

~~— In all cases involving the transfer of an employee from one payroll to another, the provisions of the Company's procedures pertaining to sick leave, as may be revised from time to time by the Company, shall be applicable.~~

~~No sick leave credit will be accumulated during periods on layoff or for absence in excess of the first ninety (90) calendar days on a leave of absence. Such absence from the active payroll will reduce the monthly sick leave award, if applicable, in the proportion of 1/30th of eight (8) hours for each calendar day of absence during the month, or a comparable proportionate reduction if a part-time employee, rounded to the nearest tenth 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 conjunction with vacation hours) in eight (8) hour increments. ETS will allow partial day increments for part-time employees.

6.5 Bereavement Leave

~~In the event of a death in the employee's family, the employee may use bereavement leave during their absence from work.~~

~~Up to three (3) days bereavement leave with pay will be granted to an employee on the active payroll who, because of death in his/her immediate family, takes time off from work during his/her normal work schedule. Such pay shall be for the employee's regularly scheduled shift hours at his/her straight time base rate, including any work schedule or shift incentive where applicable for each such day off; however, such pay will not be applicable if the employee receives pay for such days off under any other provision of this Agreement. Bereavement leave must be taken on consecutive workdays as selected by the employee within twenty (20) calendar days following the death (or evidence of belated notification of death). For the purposes of this Section the "immediate family" is defined as follows: spouse, domestic partner, mother, father, mother-in-law, father-in-law, children, brother, sister, son-in-law, daughter-in-law, great-grandparents, grandparents, grandchildren, stepmother, stepfather, stepchildren, stepbrother, stepsister, half brother, half sister, spouse's grandparents, and the domestic partner's equivalent relatives. In addition, an employee will be granted bereavement leave for a stillborn child if the employee provides a certificate of fetal death which has been certified by the attending physician.~~

6.56 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.

~~Effective December 23, 2005, the Company no longer contributes unused sick leave credits to the FSP.~~

~~The hours previously contributed on an employee's behalf remain for use by the employee. [The employee must exhaust all current year and unused sick leave account balances prior to utilizing their FSP account.]~~

Section 6.6 Unreserved Sick Leave Credits (December 2, 2005 through December 22, 2005). Upon retirement under the Company's retirement plan or upon layoff or death while retirement eligible, employees will receive payment for 50 percent of their unreserved sick leave credits remaining on the date of retirement, layoff, or death. Such credits 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.

~~**6.67 Payment for Sick Leave Hours Upon Termination**~~

~~Upon retirement under the Company's retirement plan, or layoff or death while retirement eligible, employees will receive payment for 50 percent of their current and unused sick leave credits remaining on the date of retirement, layoff, or death. Such credits will be paid at the employee's then-current base hourly rate, subject to a maximum rate that is established from time to time by the company for all salaried employees. at the time of retirement.~~

**Society of Professional Engineering
Employees in Aerospace**

The Boeing Company

By _____

By _____

Dated _____

Dated _____