



Proposed 2008 Contract Settlement Between IAM&AW Districts 24, 70 & 751 and Boeing

YOUR NEGOTIATING TEAM RECOMMENDS: ACCEPT

Our Union has delivered what few Americans have – economic certainty and quality benefits for the next four years. This battle was not just about money, but about ethics, integrity, and respect. Each of you stood up and did your part to win this battle. As you know negotiations are about give and take. These negotiations were very difficult as they always are with this Company. By any measure, this contract proposal is a good offer. Did it get everything, no. However, we made significant gains with respect to job security and the ability to help guide this Company into the future.

All year we heard members say that the best wages and benefits mean nothing if you aren't on the payroll to collect them. That is how important job security is. This new offer stopped the Company from implementing their plan to expand vendors throughout the factory. We recaptured the scope of work that was lost in the 2002 agreement and contained it to 787 final assembly (Remember since we have already given up jurisdiction to this work, we are not allowed to reclaim it or fight for it - which is why it was so important to stop it before it expanded). The revisions to LOU #37 and LOU #2 provide job security to over 5,000 members that Boeing otherwise could have replaced with vendors and contractors inside the factory gates.

The economics in the new proposal contain improvements, as well as other positive changes throughout the contract. The takeaway language that was riddled throughout the Company's final proposal is gone - survivor benefits are returned, reinstatement of seniority lost due to layoff, promotional rights restored, and the list goes on.

Highlights of the new agreement include:

- We secured over 5000 jobs and provided security for the entire workforce by stopping Boeing from chipping away at our jobs. If they had expanded their plan, ultimately all jobs would be at risk and our strength as a Union would be diluted.
- We were able to secure the same medical costs structure that has been in place since 2002 - ensuring no new out-of-pocket expenses. In the first offer, much of the lump sum payment would have been spent to pay for medical cost shifting. That money will now stay into your pocket. Would we have liked improvements in the plan? Absolutely, but at what cost? The Company was adamant on shifting more costs onto the workers, and you helped beat them back.
- We were able to get a minimum of \$1 for everyone in progression on top of GWI's in all 4 years of the contract.
- After not receiving a General Wage Increase for four years, members have guaranteed wage increases in each of the next four years totaling 15 percent.
- 1st year lump sum of 10% of previous year's earnings or \$5,000 will be **paid on or before November 7, 2008**.
- 2nd & 3rd year lump sum payments of \$1,500, which can be diverted into the VIP to enhance pension savings.
- What we could not strike over (due to legalities), was the Company's attack on our already retired members. Your solidarity made Boeing withdraw the retiree medical proposal. This is huge and protected this benefit for existing retirees.
- Pension increase of \$11 (for first 3 years) and \$2 additional (in final year) is largest dollar increase in Union history and leads the aerospace industry.

Many generations of workers before us sacrificed by withholding their labor giving us the many benefits we currently enjoy, which some take for granted. It is critical that you understand these benefits are not won overnight. They are hard fought battles leaving scars on everyone, but people can look back proudly and say they helped win that benefit or held the line to ensure those who came after us have it better than we did. That's how contracts evolve.

When you look at this contract as a whole, it is much better than the previous offer. It is something to be proud of knowing you held the line and said a resounding NO to takeaways and YES to a better future for generations to come. This contract is in the hands of the membership. It was important that this negotiating committee not walk away from the improvements that were fought for and won. We certainly wanted to make more gains, but it would have been irresponsible to walk away from the table and not allow you the opportunity to decide for yourself. We stand by this contract as a good offer and now the membership can evaluate it as a whole and vote.

Study the proposal. Every member can hold their head up high and be proud of what we have accomplished together – for you, your families and future workers. Because of all of us, our Union is stronger. You stood together scored a major victory for working families across the country, as true fighting Machinists.

In Solidarity,
Your Union Leadership



Comparing the Offers

Issue	9/3/08 Last, Best and Final	11/1/08 Improved Offer
Job Security	Company added language to inform Site Reps - notification only.	<ul style="list-style-type: none"> • Union can bid for work being outsourced to non-union Boeing facilities. Also tooling work is now included in review process. (Article 21.7) • Job protection for over 5,000 members in parts delivery and facilities maintenance. (LOU #2 & #37) • Vendors can only deliver parts inside the factory. From there our members will track use, disbursement, acquisition, and/or inventory of parts. (LOU #37)
General Wage Increase	5%, 3%, 3%	5%, 3%, 3%, 4% (4th year)
Lump Sum 1st Year	6% of previous year's earnings or \$2,500 (whichever is greater) + \$2,500 Ratification Bonus	10% of previous year's earnings or \$5,000 (whichever is greater) payable on or before November 7, 2008
Lump Sum 2nd Year	0	\$1,500 and option to divert to VIP to bolster pension savings
Lump Sum 3rd Year	0	\$1,500 and option to divert to VIP to bolster pension savings
Entry Level Wages	Increased \$2.28	Increased \$2.28
Progression	Members in progression below the new minimum would be raised to new minimum (after GWI is applied). Those in progression above the new minimums would receive nothing.	Members in progression who are above the new minimum receive \$1 per hour after the GWI is applied (unless the employee is less than \$1 from the maximum rate). All members in progression increased to the new minimum rate or \$1 per hour whatever is greater.
Pension	\$80 effective 1/1/09	\$81 effective 1/1/09 \$83 effective 1/1/12
Health Care	Huge cost shifting with increased deductibles, increased co-pays, increased premiums and mandatory generic prescriptions. Company removed survivor and bridge benefit.	Revert to 2005 language. No increase in deductibles, co-pays, or prescriptions. Family out-of-pocket maximum remained the same. Monthly premium calculation remains the same with low cost plan being paid in full by Company. Survivor and bridge benefit remains in contract.
Retiree Medical	Language would have endangered coverage for existing retirees by removing them from scope of Agreement. Coverage for active employees who retire could have expired at end of the contract.	Reverts to 2005 language. Preserved coverage for existing retirees, who could have been removed from the Agreement.
COLA Formula	No change. Company refused to pay 40¢ for quarter generated May, June and July 2008.	Only change is to add additional quarters for 4th year of agreement. Company will not pay 40¢ for quarter generated May, June and July 2008.
Incentive Plan	Company offered incentive plan, which may have paid out in last year of contract. nothing guaranteed.	9/3/08 plan withdrawn. Parties will work together to develop an Incentive Plan.
Duration	3 year agreement	4 year agreement

Where and When to Vote

Members will vote this latest offer on Saturday, November 1st. Voting locations will be open from 8 a.m. to 6 p.m. Voting will be at the strike check distribution locations listed below. Your eligibility card will be available at your strike check location. If you need to verify which location your strike checks are visit: www.iam751.org/contract08pages/strikechecks.htm.

- **Seattle Union Hall** - 9135 15th Pl. S.
- **Evergreen Fairgrounds Monroe** - 14405 179th Ave SE, Monroe
- **Green River Community College, Auburn** - 12401 SE 320th St, Auburn

Contract Revisions from 9/3/08 Company Offer

Economics - Improved

GENERAL WAGE INCREASES

1st year - 5% 2nd year - 3%
3rd year - 3% 4th year - 4%

LUMP SUM PAYMENTS:

1st year 10% of previous years earnings or \$5,000, whichever is greater - **payable on or before November 7, 2008**
2nd year - \$1,500 lump sum - payable December 1, 2009
3rd year - \$1,500 lump sum - payable December 1, 2010

Second and third year lump sum can be diverted into VIP to bolster members' pension savings.

Lump sums will now cover those on military leave of absence longer than 90 days.

INCENTIVE PLAN. Proposed plan in 9/3/08 proposal was withdrawn. Agreement that parties will work together to develop an Incentive Plan.

RATE RANGE MINIMUMS – All rate range minimums increased by \$2.28.

PROGRESSION: Those in progression will receive a supplemental wage increase after the GWI sufficient to bring them to the new rate range minimum for their labor grade or \$1 per hour, whichever is greater. This means members in progression earning above the new minimum will receive \$1 per hour after the GWI is applied (unless the employee is less than \$1 from the maximum rate). This amounts to over \$2,000 more per year for members in progression.

Duration - 4 year Agreement

Contract expiration Saturday, September 8, 2012

Job Security - Improved

Letter of Understanding #2 Facilities

Maintenance – Improved

Updated date in Letter of Understanding #2. In the Facilities and Maintenance areas, we were able to protect members hired through September 3, 2008. This date change to the Letter of Understanding will now protect some 2,200 members for the life of the Agreement.

Article 21.7 Subcontracting – Improved

Expanded the scope of our subcontracting review. Review process now includes tooling work and notification of proposed offload. Also secured the ability to compete for work that moves from one Boeing facility to another Boeing facility not covered by this bargaining agreement.

Job Security - Improved (continued)

Letter of Understanding #37

Material Delivery -Improved

(see LOU language on page 6 & clarification letter below)

LOU 37 - Materials Delivery – It is important to understand that in the 2002 contract we lost all jurisdiction over materials delivery inside the factories. We can be proud that we were able to gain jurisdiction back for every airplane program except the 787 final assembly area and some IDS work (limited to inventory transactions). We would never have been able to limit the expansion of suppliers inside our factory walls without going on strike. This new language limits supplier activity to delivery only while preserving our right to conduct inventory, issue, disburse, and acquire parts and supplies in all other programs. This protects nearly 3,000 members and stops Boeing from expanding their use of vendors inside the factory gates.

Revised language with the following protections.

- Forklift Drivers, MPRF's, Factory Consumables Handlers, Environmental Control Workers and Shipping/Distribution will not be laid off or removed from their job classification and grade as a result of Materials Delivery and Inventory Process. This revision expanded protection to 2,920 jobs for the life of the Agreement.
- Except for 787 final assembly and some IDS work (limited to inventory transactions), vendors are limited to delivering products to designated areas only. From there, bargaining unit employees will track use, disbursement, acquisition, and/or inventory of parts, materials, tools, kits and other goods or products.
- Jointly work with the Company to improve material delivery process and ensure our members grow with the new technology and innovations.
- Parties will explore options for retraining or reassigning bargaining unit employees to equal level jobs when employees are impacted by process and technology changes.

Clarification side letter regarding LOU #37

- On Commercial Airplane programs other than the 787 Everett, internal and external suppliers, vendors, etc. may continue to perform all transactions relating to the Materials Delivery and Inventory process that they were performing as of September 3, 2008.
- On the 787 Everett and IDS programs, internal and external suppliers, vendors, etc. may perform the inventory transactions described in LOU 37 of the 2005-2008 collective bargaining agreement.

Medical Coverage - No Cost Shifting/No Takeaways

- Returned to current coverage in 2002 & 2005 contract language. The end result is your co-pays and deductibles will not increase - keeping your existing health care cost structure through 2012 (no change in 10 years). While other companies that offer health care plans are regularly increasing employee costs, yours will remain frozen at 2002 levels. At the end of the day, you gained much more by standing together.
- Only change is the Plan year will convert to calendar year beginning January 1, 2010.
- Your resolve made Boeing withdraw their increases in deductibles, co-pays, monthly premium contribution formula and prescription drug coverage. Boeing's mandatory generic program and specialty care pharmacy program language is removed.
- Survivor and bridge benefit remains in contract.
- By securing the same medical coverage as the 2002 & 2005 language, the money that would have been spent on additional medical costs will now stay in your pocket.

Pension – Increased \$11 & \$13

Increased pension benefit from current \$70 benefit to:

- \$81 effective 1/1/09 - nearly 16% increase
- \$83 effective 1/1/12 - nearly 19% increase

Retiree Medical – Preserved for Existing Retirees

- Boeing's veiled attempt with carefully crafted retiree medical language was recognized by your bargaining committee as a threat by the Company to eliminate current retiree medical coverage. In its latest proposal, the Company backed off these language changes, language reverts to 2005 contract, and existing retirees are protected. This is a huge win - especially for those existing retirees.
- Boeing's language, as printed in their 9/3/08 offer, would have taken those who are already retired (current retirees) out of the scope of the Agreement –threatening their coverage. Just as disturbing is the implication this language would have had on current active members. The Company's 9/3/08 language provided coverage only for active employees who retire during the term of this Agreement. Once the three-year agreement has expired, so would the contractual guarantee for retiree medical benefits of those newly retired members. It was very important to ensure this language went back to the 2005 language to protect this benefit for existing retirees as well as future retirees.

Workforce Administration – Withdrew Takeaway Proposals

Article 14.4 - Reinstatement of Seniority Loss by Reason of Duration of Layoff. Agreed to return to 2005 language with the exception of the date change. This provision has provided several hundred members who are rehired after their Category A rights expired with reinstatement of their seniority.

Article 22.3 - Surplusage Procedures - Numbers of Retentions Allowed. Agreed to return to 2005 language. This provides seniority bands so retentions cannot be used across the board without regard to seniority. Company's 9/3/08 proposal would have eliminated these seniority bands and given them more freedom to layoff senior members.

Article 22.13 - Promotional Procedures – Effect of Refusing Promotion. Returned to 2005 language. Company proposed on 9/3/08 changing from "particular location and shift" to job. Under the Company's 9/3/08 proposal if a person declines an ERT promotion to any location or shift, they would not be eligible for any other promotion to that job for 90 days. By reverting back to current language, they are still eligible for other shifts and locations - just not the shift or location they declined.

Health & Safety – Withdrew Takeaway

Section 16.2 - Site Committee Structure and Responsibilities. Returned to 2005 contract language with the exception of changing "SHEA" to "EHS." Eliminates proposed two and three year rotation so continuity continues with the safety program.

Other Benefits Returned to 2002 & 2005 Contract Language

In the 9/3/08 offer, there were individual areas of benefit improvements; however, the cost shifting the Company wanted was too great and did not justify the improvements. By defeating Boeing's cost-shifting proposal, your medical plan costs will not increase for a total of 10 years. The following benefits return to the 2002 & 2005 contract levels rather than the changes reflected in the September 3, 2008 proposal:

- Hearing Aid
- Increase for routine physicals
- Vision
- Lifetime maximum on medical
- Dental Coverage
- Weekly Disability
- Coverage improvements for organ transplants
- Improvements to neurological development coverage
- Provide coverage for same-gender domestic partners
- Life Insurance, Accidental Death & Dismemberment

Job Combinations/Upgrades/New Jobs – Same as 9/3/08 offer

Plumber Maintenance

Agreement to revise 81109 job description to incorporate the requirement for a SteamFitter/PipeFitter license. In some cases, upon meeting the minimum qualifications/requirements, the promotion may be immediate/otherwise by ERT.

Painter Decorative Commercial Aircraft

All current employees assigned to job number 01307 will be promoted to a new revised 01308 job code. Approximately 275 employees will be upgraded upon ratification.

Inspector Integral Fuel Cells

All current employees assigned to job number 59006 will be upgraded to 59007. Approximately 175 employees will be upgraded upon ratification.

Boring Fixture Mechanic/Machining Assembly Technician

Agreement to upgrade employees currently assigned to job number 56906 to job number 73907. This Agreement will result in approximately 12 employees upgraded to Grade 7 upon ratification. (Applies to Portland only.)

Assembler Installer Structures/Assembler Installer Wing Structures

Agreement to review the job package differences between knowledge, skills, and responsibilities to determine a higher level of work statement in the 305xx/310xx job families. If both parties determine there is a higher graded work statement, the parties agree to utilize a new, modified inline promotion LOU. This Agreement may result in up to 250 upgrades from Grade 4 to Grade 6.

IAM/Boeing Joint Programs - Same as 9/3/08 offer

Letter of Understanding LOUXX

This Letter of Understanding addresses the need for both Union and Company to work together to achieve a better understanding of Continuous Improvement concepts and strategies. We acknowledge that the future of our jobs and our industry relies on maintaining an efficient and cost effective daily business system. The Company and Union propose to establish a productivity center that will be responsible for training and implementing a joint approach to productivity issues.

Article 16 changes:

- Added language that addresses environmental care to reflect the importance this has on the health and safety of our members.

COLA - Same as 9/3/08 offer except added dates for COLA calculations for 4th year.

Moonshine Shop Reviews

Agreement to review the job assignments and differences between the various moonshine shops across the bargaining unit. Evaluation of work being performed and proper classification may result in some job upgrades.

Wichita Air Frame and/or Power Plant License Agreement

Employees in job number's U3404/07, U0108/10, 92007/09/11, U1207, 51807/09, 53809/11 who obtain their Air Frame and/or Power Plant License will receive premium pay in the amount of \$.50 per hour for each license obtained (up to \$1.00). Will result in additional pay for approximately 20 members assigned in these job titles. (Applies to Wichita only).

Inspector Precision Assembly (PSD)

Agreement to review work statement of 509xx job family. If revisions are made the labor grade(s) will be determined in accordance with Article 13 of the Collective Bargaining Agreement/possible higher labor grade work being performed.

Assembler Power Plant (PSD)

Agreement to revise the 91106 job description. The Grade 6 revisions will incorporate a higher level of work described. Upon installation of the revised job description, the Company will staff to the higher level as appropriate, which may result in multiple upgrades.

Workforce Administration – Same as 9/3/08 offer

22.1(a)(7) Category A rights will be increased as listed below:

Years of Co Service	Current Recall Rights	New Recall Rights
0-1 year	1 year	3 years
1-3 years	3 years	3 years
3-5 years	5 years	5 years
5+ years	7 years	8 years

22.11 - Promotional Procedures - Added language restricting employees to 12 months in their present job before they are eligible for ERT (previously in a Company PRO) with exceptions when in the Company's best interest. Union opposed this; however, it is in Boeing's last and final offer.

22.12 - Promotional Procedures - Graduate Apprentices - Added Composite Manufacturing Technician to apprenticeship tables. Also, C4808 added (Portland job number)

22.18(a)(3) - Allows supervisors returning to hourly payroll to return to any lower-graded job.

Holidays - Added dates for 4 yr contract

2008 Holidays Date of Observance

Thanksgiving Day	Thurs., Nov. 27, 2008
Friday following	
Thanksgiving	Fri., Nov. 28, 2008
Winter Break	Wed., Dec. 24, 2008
Winter Break	Thurs, Dec. 25, 2008
Winter Break	Fri., Dec. 26, 2008
Winter Break	Mon., Dec. 29, 2008
Winter Break	Tues., Dec. 30, 2008
Winter Break	Wed., Dec. 31, 2008

2009 Holidays Date of Observance

Winter Break	Thurs., Jan. 1, 2009
Memorial Day	Mon., May 25, 2009
Independence Day	Friday, July 3, 2009
Labor Day	Mon., Sept. 7, 2009
Thanksgiving Day	Thurs., Nov. 26, 2009
Friday following	
Thanksgiving	Fri, Nov. 27, 2009
Winter Break	Thurs., Dec. 24, 2009
Winter Break	Friday, Dec. 25, 2009
Winter Break	Mon., Dec. 28, 2009
Winter Break	Tues., Dec. 29, 2009
Winter Break	Wed., Dec. 30, 2009
Winter Break	Thurs., Dec. 31, 2009

2010 Holidays Date of Observance

Winter Break	Fri., Jan 1, 2010
Memorial Day	Mon., May 31, 2010
Independence Day	Mon., July 5, 2010
Labor Day	Mon., Sept. 6, 2010
Thanksgiving Day	Thurs, Nov. 25, 2010
Friday following	
Thanksgiving	Fri., Nov. 26, 2010
Winter Break	Fri, Dec. 24, 2010
Winter Break	Mon., Dec. 27, 2010
Winter Break	Tues, Dec. 28, 2010
Winter Break	Wed., Dec. 29, 2010
Winter Break	Thurs, Dec. 30, 2010
Winter Break	Fri., Dec. 31, 2010

2011 Holidays Date of Observance

Winter Break	Mon., Jan. 3, 2011
Memorial Day	Mon., May 30, 2011
Independence Day	Mon., July 4, 2011
Labor Day	Mon., Sept 5, 2011
Thanksgiving Day	Thurs., Nov. 24, 2011
Friday following	
Thanksgiving	Fri., Nov. 25, 2011
Winter Break	Fri., Dec. 23, 2011
Winter Break	Mon., Dec. 26, 2011
Winter Break	Tues., Dec. 27, 2011
Winter Break	Wed., Dec. 28, 2011
Winter Break	Thurs., Dec. 29, 2011
Winter Break	Fri., Dec. 30, 2011

2012 Holidays Date of Observance

Winter Break	Mon., January 2, 2012
Memorial Day	Mon., May 28, 2012
Independence Day	Wed., July 4, 2012
Labor Day	Mon., Sept. 3, 2012

Below is the new LOU #37. New language highlighted in red. Deleted language has strike-through.

LETTER OF UNDERSTANDING NO. 37 SUBJECT: MATERIALS DELIVERY AND INVENTORY PROCESS

The Company and the Union agree that parts, materials, tools, kits and other goods or products furnished by an internal or external supplier, vendor, contractor, or subcontractor may be delivered or presented to the Company at any location to be designated by the Company, including but not limited to **local receiving areas**, staging areas, parts control areas, materials and tool storage areas, and/or factory locations where parts or assemblies are installed. **Such locations will be staffed, as necessary, with Company employees, including bargaining unit employees in classifications responsible for receiving and distribution, and job functions performed by employees that fall within bargaining unit job description(s) will continue to be performed by such bargaining unit employees.** ~~In addition,~~

On Commercial Airplane programs other than 787-Everett, internal and external suppliers, vendors, contractors, or subcontractors may, at the Company's request, perform inventory transactions **related to goods or products they are delivering or furnishing to the Company**, ~~which may include~~ **with bargaining unit employees** tracking use, disbursement, acquisition, and/or inventory of parts, materials, tools, kits, and other goods or products **consistent with bargaining unit job descriptions**.

The Company's **Materials Delivery Group Process Owner** will ~~conduct a quarterly review~~ **consult** with the Union **Site Representatives on a monthly basis** to ~~provide status on the previous quarter's~~ **discuss activities and issues related to the Materials Delivery and Inventory process and to discuss** ~~The reviews may include a discussion of opportunities to improve the Materials Delivery and Inventory process,~~ **including the most efficient use of Boeing employees and resources and the implementation of new technology. Upon the Union's request, the Company will conduct a quarterly review to discuss decisions or issues with the Materials Delivery and Inventory process from the previous quarter's activity.**

The parties will explore options for retraining or reassigning bargaining unit employees to equal level jobs when bargaining unit employees are impacted by the Company's implementation of process and technology changes. In addition, forklift drivers (419 classification), MPRFs (614 classification), Factory Consumables Handlers (607 classification), Environmental Control Workers (HazMat – 855 classification), and Shipping/Distribution (611 classification) as of September 3, 2008 will not be laid off or removed from their job classification and grade as a result of the Materials Delivery and Inventory process.

Nothing in this Letter of Understanding will be construed to permit suppliers or vendors to install parts or components on the airplane, unless the vendors or suppliers are correcting errors or performing warranty work.

~~The Company agrees that bargaining unit employees will not be laid-off as a direct result of the Company's conversion to the Materials Delivery and Inventory Process, unless the employees are unwilling to change jobs (including a downgrade), shifts, or locations within the bargaining unit. Employees who are employed as forklift drivers as of September 2, 2005 will continue their regular assignments for the term of the contract, including but not limited to the movement of supplier and vendor parts from local receiving areas within the factory.~~

Other Improvements Remaining from 9/3/08

BEREAVEMENT LEAVE

6.4(c) – Bereavement leave benefit for members on LOA of 90 days or less. Previously only available to members on the payroll. In addition bereavement leave can be taken within 30 calendar days of death (or evidence of belated notification of death) - previously within 20 calendar days. Added same gender domestic partner to definition of “immediate family.”

ARTICLE 14 - SENIORITY

14.1(b)(10) Increase seniority Category A to 8 years from 7 years. Upon completion of orientation, you will receive 3 years of Category A recall rights.

AOG TRAVEL PREMIUM

Increased AOG travel premium pay rate from \$.75 an hour to \$2.00 an hour.

LOU #36 - TEAM LEADER

- Increased premium from \$1.75 to \$2.00.
- Added a committee to review training requirements.
- Added right to grieve, but not arbitrate team leader decisions.

ARTICLE 5 - SHIFT PREFERENCE

5.4(a)(2) - Union notification when employees are displaced from their shift.

5.4(d) Lowest BEMS ID will determine shift preference if two members have the same seniority.

Withdrawn Letters of Understanding

Following letters were withdrawn:

- LOU XX - First Vote Ratification Bonus
- LOU XX - Incentive Plan
- LOU XX - Lump Sum Payment (new one replaced it)

Question & Answers

Will medical costs incurred during the strike be covered or reimbursed?

A: Yes, in the Strike Settlement Agreement benefits are considered continuous without interruption for employees and their dependents. All COBRA premiums and valid insurance claims will be paid.

What happened to the Survivor benefit?

A: Since we reverted to the 2005 language, the Survivor and Transition Bridge Benefit are restored.

What happened to the life insurance?

A: It reverted to the 2005 contract language level of \$32,000 and will cover anyone who passed away during the strike.

Did anything change in Medical?

A: The only change was a format change for Attachment A & B. It simply mirrors the current format of the summary plan descriptions - making it easier to read.

Is Selections still a health plan choice?

A: Yes and monthly premium costs will remain the same as what you currently pay until the next open enrollment period in May when it will be recalculated under the current formula.

What happened to the prescription drug takeaways?

A: Since we reverted to 2005 language, Boeing's mandatory generic program and Specialty Care Program language is removed.

Is the 40¢ COLA generated in the last quarter in the new offer?

A: The Union pushed hard for this, but at this time Boeing was unwilling to include it in the offer.

When will the vote be?

A: Saturday, November 1 from 8 a.m. to 6 p.m. at the three strike check locations (Seattle Union Hall, Green River Community College, Evergreen Fairgrounds). It is a straight accept or reject vote. If 50% plus 1 votes to accept the offer, the contract is ratified.

Will we be mailed eligibility cards?

A: No. Your eligibility card will be available at your strike check location. Members in good standing on LOA are eligible to vote on the contract, refer to your strike check location by your zip code. If you need to verify which location your strike checks are visit: www.iam751.org/contract08pages/strikechecks.htm.

If we turn it down by 50% + 1, what happens?

A: The strike continues. Union negotiators will push for another round of talks with the Company.

How long will we have to return to work?

A: In the Strike Settlement agreement, we pushed for a later return date, but Boeing would only agree to November 10th (9 days to return). If you need additional time, you should contact your management and request the additional time to return. If ratified, members can return to work as early as third shift Sunday, November 2nd or Monday, November 3rd for 1st and 2nd shift members.

2008 Strike Settlement Agreement

The Boeing Company ("Company") and the International Association of Machinists and Aerospace Workers, AFL-CIO, on its own behalf and on behalf of its District Lodges 24, 70, and 751 (hereinafter collectively referred to as the "Union") agree as follows:

1. Upon ratification of the parties 2008 – 2012 collective bargaining agreement, the union will terminate its strike and picketing against the Company.

2. All company employees on strike shall be returned to the same job they held prior to the strike and the time spent on strike will be counted for the following purposes: seniority, seniority progression, sick leave/vacation eligibility date, eligible months of participation for purposes of the ShareValue Trust, and, to the extent permitted by ERISA, the Retirement Plan.

3. All bargaining unit striking employees will be returned to work commencing on the 3rd shift on November 2, 2008. All employees will be returned to the shift, labor grade and job classification they held on the last day of work prior to the strike.

4. Employees shall be given until the beginning of their shift on Monday, November 10, 2008 to report to work. Employees who are unable to return to work because of medical reasons will be reviewed for medical leave of absence on a case-by-case basis. Further, employees who are unable to return to work because of unavoidable and compelling reasons will also be reviewed on a case-by-case basis. Other employment during the strike will not be considered as an unavoidable and compelling reason to delay reporting to work.

5. The Company shall be under no obligation to reinstate employees who do not return to work in accordance with paragraph 4, above, and such employees will be considered to have voluntarily resigned their employment. Such employees will be placed on a Preferential Hiring list if they notify the Company, in writing, of their desire to be reconsidered for employment. Individuals on the Preferential Hiring list will be hired by their job, labor grade, and seniority as of September 3, 2008 before new employees are hired. Individuals will be removed from the Preferential Hiring list if they refuse a job offer from the Company. The Preferential Hiring list shall automatically terminate on September 3, 2009.

6. Employees who prior to the strike scheduled vacations which would have occurred during the strike will be given priority in vacation scheduling. Employees may request vacation pay in lieu of time off in accordance with established practices.

7. Employee group benefits shall be reinstated effective November 3, 2008 for employees who return to work. The Company shall return all insurance premiums which have

been paid to it. In addition, insurance eligibility shall be considered continuous for all returning employees and their dependants, without interruption since September 3, 2008, and all valid insurance claims will be paid, including those of employees who may have died during the strike. Normal payroll contributions for the month of October will be collected from a future paycheck.

8. No striking employee or union official shall be issued corrective action by the Company for any activity taking place during the strike except if such individual is convicted of a penal offense.

9. All authorization/dues deduction cards will remain valid for employees who continued their Union membership throughout the strike. Employees (other than those in right-to-work states) who resigned their union membership during the strike will be required to comply with the Union Security provisions of the collective bargaining agreement. The Company will not collect funds owed the Union during the strike for programs such as the Machinists Non-Partisan Political League, Guide Dogs, or Union dues. The Company will not deduct funds for the Good Neighbor Fund, Credit Union deductions, or Savings Bond contributions missed during the strike.

10. Any grievance pending prior to the strike shall not be affected by the strike.

11. The Company and the Union mutually pledge their best efforts to return all operations back to normal at the earliest possible time.

12. Any payments resulting from changes to base rates, cost of living adjustments, shift differentials, AOG premiums, team leader premiums, job classification upgrades, or any other wage adjustments resulting from changes made to wages or premiums in the 2008-2012 collective bargaining agreement, will be paid on or before December 4, 2008, and may be paid in the employee's regularly scheduled paycheck(s) or by separate paycheck.

13. Each party agrees to withdraw any and all legal actions, including charges before the NLRB or the Department of Labor filed by either party against the other, its officers, agents, and/or members, or may hereafter be filed, based on activity related to the negotiations, the strike, or connected therewith.

14. Any disputes concerning the application of the provisions of this Strike Settlement Agreement will be subject to the grievance and arbitration provisions of the collective bargaining agreement except as stated in paragraph 11.

DATED this 29th day of October, 2008.