

**EXHIBIT “C”
TO SETTLEMENT AGREEMENT**

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS**

Society of Professional Engineering Employees)	
in Aerospace, IFPTE Local 2001, <i>et al.</i> ,)	
)	
Plaintiffs,)	Civil Action Nos.
)	05-CV-1251-MLB-KMH
vs.)	and
)	07-CV-1043-MLB-KMH
The Boeing Company, <i>et al.</i> ,)	
)	
Defendants.)	
_____)	

PLAN OF ALLOCATION AND DISTRIBUTION ORDER

This Plan of Allocation and Distribution Order establishes the method pursuant to which the Net Common Fund Amount will be allocated and distributed to members of the Harkness Class.¹ As set forth in Section 1.16 of the Settlement Agreement, the Net Common Fund Amount means the Common Fund Settlement Proceeds of \$90 million, less Class Counsel’s Fees and Expenses of \$4.2 million, less Administration Fees and Expenses, less any and all tax liabilities owed by the Wichita Retirement Class Settlement Fund, less any other costs or expenses the Court orders deducted and paid from the Common Fund Settlement Proceeds.

The Net Common Fund Amount will be distributed to class members as set forth below.

¹ Unless otherwise noted, all capitalized terms in this Order will have the same meaning defined in the parties’ Settlement Agreement. The Settlement Agreement will be available on the Settlement Website, at www.WichitaRetirementClassSettlement.info.

A. Distribution for Claims of Lost Pension Benefits

Eighty percent of the Net Common Fund Amount will be allocated towards the portion of the settlement for claims of lost pension benefits. A Class Member's total pension payment is determined by two factors.

1) Years of Boeing credited service: the Class Member's amount of credited service under Boeing's pension plan, and

2) Months of Boeing pension loss: the number of months the Class Member did not receive benefits from the pension plan because he or she was actively employed by Spirit.

The second factor is determined by the amount of time that elapsed between when the Class Member turned 55 and when he or she separated from employment with Spirit. For individuals who had already left Spirit employment on the date the Settlement Agreement was filed with the Court, this formula counts the months between the first of the month after the Class Member reaches age 55 until the date when they left Spirit employment. All Class Members who did not separate from Spirit before age 62 are assumed to have left Spirit employment at age 62, the average age of retirement from Spirit. Any Class Members who left Spirit employment before age 55 (for reasons other than layoff or disability retirement under the frozen plan) will be deemed to have left Spirit on their 62nd birthday. Individuals that left Spirit before age 55 due to layoff or disability retirement under the frozen plan will be deemed to have left Spirit on their 55th birthday. In all circumstances, the maximum number of months of Boeing pension loss is 84 months.

3) Calculation: Each individual Class Member's number of months of pension loss is multiplied by the number of years (and partial years) of credited service. This number is that Class Member's "Individual Combined Factor." This Individual Combined Factor is then divided

by the sum of all the Individual Combined Factors (the “Total Combined Factors”). The resulting number is the percentage each Class Member will receive from the portion of the Net Common Fund Amount allocated towards lost Boeing pension benefits.

Example #1: Class Member Jim is still employed by Spirit. It is presumed that he will retire from Spirit at age 62, so his months of Boeing pension loss are from age 55 until age 62, a total of 84 months. Class Member Jim’s 23 years of credited service are multiplied by 84 months to create his share of the pension settlement. Class Member Jim’s pro-rated share of the Net Common Fund amount allocated for claims of lost Boeing pension benefits is currently estimated to be approximately \$41,000.00.

Example #2: Class Member Betty is no longer employed by Spirit. She retired from Spirit and commenced her pension on 9/1/2006. Since Class Member Betty commenced her pension, she experienced a pension loss between the first of the month after reaching age 55 (6/1/2006) and 9/1/2006, a total of 3 months. Class Member Betty’s 25 years of credited service are multiplied by 3 months to create her share of the pension settlement. Class Member Betty’s pro-rated share of the Net Common Fund amount allocated for claims of lost Boeing pension benefits is currently estimated to be approximately \$1,600.00.

As soon as practicable after the Judgment becomes Final and Unappealable, the Claims Administrator will mail the first round of Distribution Checks to each individual Class Member from the Net Common Fund.

B. Medical Claims Reimbursement

The remaining twenty percent of the Net Common Fund Amount will be allocated toward reimbursement of Class Members for out-of-pocket medical expenses and premiums paid for substitute health insurance coverage. Reimbursement of these claims will be capped at \$40,000 per Class Member. Claims will be accepted by the Claims Administrator for up to 30 days after the Settlement Fairness Hearing, on September 18, 2015. Eligible Class Members can submit claims to the Claims Administrator for certain medical premiums and for out-of-pocket medical expenses. These expenses must meet the following criteria in order to be reimbursable:

- a) Incurred for “medical care” as defined under Section 213(d) of the Internal Revenue Code.

- b) Incurred after the Class Member reached age 55 and separated service from Spirit, until December 31, 2014.
- c) Incurred by the Class Member or a qualified dependent.

Notwithstanding the above, certain claims are excluded and will not be reimbursed, including those involving dental, orthodontia, vision care, or for services that would not have been covered under the Boeing Retiree Health Insurance Plan. Claims submitted that have already been fully paid or fully reimbursed by a third party (e.g., an insurance company or another employer) are also excluded. All claims must be substantiated and verified by the Claims Administrator.

Class Members submitting claims will be reimbursed out of the Net Common Amount in the order in which the claims are received by the Claims Administrator and will be reimbursed only to the extent that the portion of the Net Common Fund set aside for this purpose is sufficient to fund such reimbursement.

C. General Residual Distribution

If, after all of the timely submitted reimbursable medical claims have been reimbursed (or reserves have been set aside for such purpose), the portion of the Net Common Fund set aside for that purpose under Paragraph B above has not been fully expended, any remaining material amount will be distributed in equal amounts to each individual Class Member. Excluded from this residual distribution will be any Class Member who failed to cash Distribution Checks issued to them previously. The distribution of such residual amount shall be net of any remaining administrative costs attributable to the distribution and management of the funds. In the event that only a nonmaterial residual amount remains for distribution under this Paragraph C, that amount will not be distributed to individual Class Members; but rather will be distributed pursuant to Paragraph E.

The Claims Administrator will mail these final Distribution Checks.

D. Rights of Third Parties

In the event that any rights and claims of any persons meeting the Harkness Class definition set forth in the Settlement Agreement, and which rights and claims are among those sought to be resolved and settled under the Settlement Agreement, have been assigned, transferred or distributed to, and/or have otherwise become vested in any other person or entity, in whole or in part, then such other person or entity who has succeeded to all or any such rights and claims will be the Class Member with respect to such rights and claims. Any person believing himself or herself to be the surviving beneficiary of a Class Member and entitled to a full or partial portion of the Class Member's recovery from the Common Fund Settlement Proceeds must provide documentation to the Claims Administrator to demonstrate such status. At minimum, the documentation must include a copy of the death certificate, as well as copies of a Last Will and Testament, estate records, Letters Testamentary, letters of administration, evidence of probate and/or any other testamentary provisions of the deceased person or documentation which demonstrates the beneficiary status. Any person believing themselves to be entitled to a full or partial portion of a Class Member's recovery for reasons related to a name or status change resulting from a marriage or divorce must provide documentation to the Claims Administrator to demonstrate such status. The documentation must support the name or status change. Such documentation may include, but is not limited to, a copy of a marriage certificate, divorce decree, or other document that demonstrates the status update or entitlement, such as a Qualified Domestic Relations Order ("QDRO"). The Claims Administrator will review and honor such requests upon receipt of documentation which the Claims Administrator in its sole discretion deems appropriate to substantiate the request. The Settling Plaintiffs have sole

discretion to determine whether any particular individual or entity meets the Harkness Class eligibility criteria.

E. Cy Pres Payment

Pursuant to Section 3.10 of the Settlement Agreement, any portion of the Common Fund Settlement Proceeds still in the possession of the Claims Administrator one hundred eighty (180) days after the date the final Distribution Checks are issued will be paid to those nonprofit entities recommended by Class Counsel and Boeing and approved by the Court.

F. Appeals

Any disputes and/or interpretive issues regarding the amount(s) to which any individual Class Member is entitled to receive from the Medical Claims Reimbursement shall first be submitted to the Claims Administrator for a decision. If any party or Class Member disagrees with the decision made by the Claims Administrator, the party or Class Member may then submit the dispute to a neutral Third Party as part of a claims review process. The Third Party, designated by the Settling Plaintiffs and Class Counsel, will review claims and issue a final decision within ninety days. There is no further right of appeal from the Third Party's final decision. The Court shall retain jurisdiction as to any other dispute or interpretive issue concerning this Plan of Allocation Order (i.e., one that does not concern the amount(s) to which an individual Class Member is entitled to receive from the Net Common Fund Amount), pursuant to Sections 2.2(d) and 8.6 of the Settlement Agreement.

G. No Boeing Responsibility or Liability

Boeing and the Released Parties (as defined in the Settlement Agreement) do not and will not have any responsibility or liability whatsoever for determining: the list of class members; the plan of allocation; the eligibility of any person to participate in or receive money (or any

particular amount of money) under this Settlement; the allocation of the Common Fund Settlement Proceeds; the distribution of the Common Fund Settlement Proceeds; and/or the determination, calculation, withholding, or payment of taxes or the making or filing of tax notifications associated with any distribution or payment from the Wichita Retirement Class Settlement Fund.

Ordered: _____, 2015.

Honorable Monti L. Belot
U.S. District Court Judge